CALIFORNIA
REGIONAL ECONOMIES PROJECT

DRAFT

CALIFORNIA ECONOMIC BASE REPORT: A STATEWIDE OVERVIEW & REGIONAL ANALYSES

Prepared for the

CALIFORNIA ECONOMIC STRATEGY PANEL

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California Economic Strategy Panel

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CALIFORNIA ECONOMIC STRATEGY PANEL

PREFACE

The bipartisan California Economic Strategy Panel was established in 1993 to develop an overall economic vision and strategy to guide public policy. The Panel engages in an objective and collaborative biennial planning process that examines economic regions, industry clusters, and cross-regional economic issues. The 15-member Panel is comprised of eight appointees by the Governor, two appointees each by the California Senate President Pro-Tempore and the California Assembly Speaker and one appointee each by the Senate and Assembly Minority Floor Leaders. The Secretary of the California Labor & Workforce Development Agency serves as the Panel Chair.

The California Regional Economies Project is currently the lead research mechanism for the Panel to identify economic policy issues. The project provides the state's economic and workforce development systems with data and information about changing regional economies and labor markets. The information provides a new resource in economic and workforce development planning and a bridge connecting economic and workforce policies and programs at the state and regional levels.

Since 1996, the Panel recognized the rapidly changing nature of the California economy and its economic regions. In order to understand the state's economy and the changes taking place within industry sectors and industry clusters, it is important to recognize the regional nature of the economy and to analyze the economic base by region. To do this, the statewide and nine regional economic base reports analyze the patterns of employment, business establishments, wages, population, unemployment rate and other key factors.

This report presents a statewide overview and comparative analysis of the nine regions from 2001 to 2004. Also, in-depth economic base reports for each region are available. The previous economic base reports examined the 1990-2002 period, and were the first economic base reports for the regional economies as they are defined today. The Panel's initial work, from 1994-1996, resulted in identification of six regions and provided regional economic base analyses; however, those regions had been significantly redefined by 1998, making comparisons to the early analyses impractical.

The source of the data used for these reports is the official employment and wage information reported by employers to the State. While a variety of other sources provide similar information, they may not capture the official numbers that employers report, or may not include input from all employers. This data source is the most comprehensive and accurate source of information direct from employers, and is therefore the best to use for public policy-making, planning and program administration.

The Panel has taken steps to institutionalize the analysis and preparation of these economic base reports within State government so that this analysis may be provided on a yearly basis. Also, steps have been taken to leverage the body of knowledge that now exists around the study of industry clusters, gained through the Project. First, a non-confidential version of the data series, the *California Regional Economies Employment*

Series, has been made available online by the California Employment Development Department's Labor Market Information Division so that regional organizations may access this data at the county level. Second, a step-by-step guide, the *Clusters of Opportunity User Guide*, was published online that teaches the Project methodology for conducting industry cluster studies and then working with business and industry to apply the findings. With this information, regional organizations may conduct their own economic base and industry cluster analyses down to the county level, and they may combine county data to create their own sub-regional study areas. Training workshops have been held to teach the methodology and processes outlined in the *Clusters of Opportunity User Guide* to representatives from local and regional organizations including Local Workforce Investment Boards, economic development organizations, and community colleges.

The California Regional Economies Project is sponsored by the California Labor & Workforce Development Agency, California Employment Development Department, and California Workforce Investment Board.

TABLE OF CONTENTS

HISTORICAL CONTEXT AND DEVELOPMENT OF THE METHODOLOGY

PAST AND PRESENT

The California Economic Strategy Panel (Panel) first identified California's economy as an economy of regions in 1996. At that time, the Panel also adopted a new way of looking at industry sectors and how they function and grow as industry clusters. These new ways of looking at the economy became the basis for the analytical work completed then, and have provided a foundation for the Panel's work since that time.

In 2003, the Panel initiated a new project that would produce a series of studies, the California Regional Economies Project. The project was to use the concept of regional economies and industry clusters previously established by the Panel to provide an updated look at California's economy, providing "real time" economic data and information. This was one of four critical investment areas identified by the Panel in its 2002 report, *Creating a Shared California Economic Strategy: A Call to Action*. The Panel commissioned nine regional economic base reports, three industry cluster studies and three monographs on key economic and workforce issues in 2003.

The California Workforce Investment Board (State Board) sponsored the project, to help address its own need for timely information about the economy and key labor and workforce issues that would drive investment decisions by the State Board and by the Local Workforce Investment Boards and their service delivery system of One-Stop Career Centers. At a time when the federally-funded system was being called to become more responsive to the changes taking place in the economy, the Project would provide important information and would help to create a bridge for dialogue and collaboration between the economic and workforce development worlds.

The first phase of the California Regional Economies Project was completed in 2004. In addition to the economic base reports, the studies looked at key industry clusters and how they are changing or transforming. These included the health sciences and services cluster, the manufacturing cluster (design, production and logistics), and a newly evolving rural economic cluster around quality of life and quality of place experiences. The monographs discussed critical issues to California; workforce transition, conditions of economic competitiveness, and innovation's impact on productivity and economic prosperity.

A second phase was completed in 2005, which provided three additional studies, and produced a training guide and workshops to teach others the methodology behind the Project's work. The 2005 studies included an in-depth look at the logistics component of the manufacturing cluster, entrepreneurship's important role in rural economies, and the impact of immigration on the state's economy. The training guide and workshops provided a first step toward institutionalizing this approach to economic analysis at the regional and local level, providing local and regional organizations with the tools needed to complete their own analyses.

In the 2006 phase, the Project is providing two additional industry cluster studies and additional training sessions, and is institutionalizing production of the economic base analysis within State government.

The first of the two 2006 studies examines the agricultural sector, considering the larger cluster involved in food production, processing, distribution, and support. The second study looks at California's infrastructure industry cluster, from planning and design to construction.

The updated economic base reports are the foundation of this statewide report. The current reports provide an update to the original 2004 reports, and create a bridge from the previous varying methodologies and the change in data sources, to one unified methodology for all regions' reports. Detailed economic base reports for all nine regions are available.

METHODOLOGY

The original economic base reports by the Project were produced in 2004. They looked at the period of 1990 – 2002. This new series of reports look at the period of 2001 – 2004. (The most current data available at the time of this series was the 2004 data.)

Data Sources

Both the original and current economic base reports use confidential employer data, which cannot be released to the public. Non-confidential versions have been made available online, as noted below. There is more than one source of data for employment statistics. The original and current economic base reports used different sources.

The first economic base reports used customized employer data from the Current Employment Statistics (CES) data. The Labor Market Information Division (LMID) of the California Employment Development Department (EDD) prepared the data for the project team's use. At the time, the new North American Industry Classification System (NAICS) was very new, and not all years of employer data were available using the new coding system. Most years of data still used the Standard Industry Classification (SIC) coding system; only the most recent years of data used the NAICS coding system. LMID staff manually converted the federal CES data from SIC into NAICS. A non-confidential version of this data was made available online at the county level.

The current reports use Quarterly Census of Employment and Wages (QCEW) data for the private industry data, which uses the NAICS coding system. This is a relatively new source of employer data. Since the original economic base reports were completed, the federal Bureau of Labor Statistics has converted prior years of data from SIC to NAICS. This eliminated the need to have the LMID staff manually convert data. Instead, LMID staff prepared the data sets for the project team from the confidential federal QCEW data. The federal non-confidential QCEW data is available to the public at the BLS website. (Confidential data includes information that could allow the user to identify a specific company; the government has an agreement with the employers that such information will not be released to the public.) The LMID staff also prepared non-confidential versions of the project data sets, by county, the *California Regional Economies Employment Series*, which is available online.

The differences in the data sources mean that there may be slight discrepancies in the data and findings from the first set of economic base reports when compared to the data and findings in the current reports. Some differences may be explained by the change from manually converted data to the federally converted data; others may be due to changing from CES to QCEW. When possible to identify, specific differences are noted in the base reports.

The QCEW data provides summary data by NAICS code, including number of establishments, number of employees, and total annual wages. Individual employers report this information, which is taken and summed by NAICS code. The establishment and employment numbers are simple totals; the average wage rate is calculated by taking the total annual wages and dividing by the total employment.

The QCEW is an important data source for the economic base reports and industry cluster studies that will inform public policy-making, planning and program administration. The QCEW data capture the official employment and wage information reported by employers to the State. While a variety of other sources provide similar information, they may not capture the official numbers that employers report, or may not include input from all employers. This data source is the most comprehensive and accurate source of information direct from employers.

The CES data is still used for all levels of government employment data. While some data are required to be suppressed, LMID recommends using CES as the data source for the government data as they feel it is overall the most accurate and complete for the purpose of this report. The CES data does not offer wage information, so the government wage information in this report was taken from the federal Bureau of Labor Statistics (BLS) QCEW non-confidential data available online.

Steps have been taken to share and leverage the body of knowledge that now exists around the study of industry clusters gained through the Project. In addition to making available the *California Regional Economies Employment Series*, a step-by-step guide, the *Clusters of Opportunity User Guide*, was published online that teaches the Project methodology for conducting industry cluster studies. Training workshops have been held to teach the methodology and processes outlined in the *Clusters of Opportunity User Guide* to representatives from local and regional organizations including Local Workforce Investment Boards, economic development organizations, and community colleges.

Industry Clusters versus Sectors

Outside of the original economic base reports, much of the Panel's work looks at industry clusters, rather than industry sectors.

An industry sector is a group of firms that are doing the same type of work, making the same type of products, or providing the same types of services. Examples include manufacturing, construction, retail trade and health care.

An industry cluster is a group of interdependent industry sectors characterized by competing firms and buyer-supplier relationships, as well as shared labor pools and other specialized infrastructure. They are also geographically concentrated. When identifying "industry clusters of opportunity," the Project adds additional considerations that focus on employment opportunities for regional residents.

Definition of the Economic Base Industries

Economists divide industries into two groups; export-oriented and local-serving (also referred to as population-driven). Export-oriented industries are industries that sell a large portion of their goods and services to people and businesses in markets outside of the region, creating capital (bringing capital into) the region. Examples of export-oriented industries include manufacturing; wholesale trade; tourism; and, professional, scientific & technical services. Many service industries are included, as most professional, technical and scientific service firms sell to worldwide markets. Local-serving industries are industries that sell their goods and services to people and businesses in markets within the region. These industries do not typically create new capital for the region, but recirculate it within the region. Examples of local-serving industries include health care and retail trade.

In the first economic base reports, the two principal researchers who produced the reports did not agree on a common definition of an area's economic base. Specifically, they did not agree on the types of industries that should be included. One favored the traditional approach, which says that only export-oriented industries should be considered the economic base. This researcher was analyzing the urban regions, and this traditional definition worked well for those regions. The other researcher analyzed the rural regions, and saw that there were key local-serving industries that were also starting to sell more of their products and services to people outside of the local area (out of the region). There were also other local-serving industries that were as critical to the region as the export-oriented industries, if not more so. Due to transformations taking place in the industries and/or rural regions, it was felt this warranted their inclusion in the economic base.

For the current and future economic base reports, we have chosen to include some local-serving industries and industry clusters in the economic base. We do this due to the transformations taking place in the industries or regions, as noted above. An example of this is the inclusion of the Health Sciences & Services cluster. This cluster includes health care, which is local-serving; however, it also includes health sciences, which includes sectors that are more export-oriented (manufacturing of medicines, medical devices and more). The separation between medical discoveries and medical services becomes less distinct, as university medical centers provide both research and development (R&D) functions and patient services.

While the traditional discussion of an economic base is still the one most used by economists, we feel the other perspective better fits the nature of the Project, which constantly views the economy in new ways and from new perspectives in order to see transformations taking place.

Definitions by NAICS code classification for all of the industry sectors and clusters in the statewide overview and regional economic base reports may be found in Appendix A.

Specific Changes from the Original Economic Base Reports

The following explains how specific industry sectors and clusters are defined and/or handled in the current series of reports, in an effort to resolve differences and discrepancies in the original regional economic base reports, especially between the urban and rural regions. All of the industry sectors and clusters, as used in the current economic base reports, are defined by NAICS codes in Appendix A.

Entertainment & Tourism: For the urban regions, Entertainment & Tourism included Arts, Entertainment & Recreation and Accommodation, but did not include Food Services. This is the way the industry was treated in the original economic base reports for the urban regions. For the rural regions, Entertainment & Tourism includes Arts, Entertainment & Recreation and Accommodation & Food Services, due to the significance of Food Services in promoting tourism and providing jobs for those regions. In the previous reports for the rural areas, Arts, Entertainment & Recreation was treated separately from Accommodation & Food Services; both sectors were not always included in the reports. This is the first step in standardizing the industry's treatment from the original economic base reports.

Food Value Chain: This cluster replaces the Resource Based industry grouping included in the original economic base reports for the urban regions. This cluster has also been included in the economic base for most of the rural regions. Agriculture was only included in the original economic base reports in the section that discussed all major industries, not in the regions' economic base other than its mention in the Resource Based industry grouping. The decision to include the Food Chain cluster was made based on the cluster's importance to many regional economies and the state economy. The Food Chain cluster definition is used in lieu of only looking at agriculture production, as the cluster definition provides a better picture of what is happening in the industry and related industries, and how these changes are affecting the regional and statewide economy.

Manufacturing Value Chain: For the urban regions, the Manufacturing Value Chain is used instead of separate analyses of Diversified and High Tech Manufacturing, as in the previous economic base reports; however, brief updates on the Diversified and High Tech Manufacturing sectors are included in the current reports. The Manufacturing Value Chain cluster also captures significant portions of the Transportation & Warehousing classification, so the analysis of the Manufacturing Value Chain replaces a separate discussion of the Transportation & Warehousing industry for all regions. Overall, looking at manufacturing in California using the Manufacturing Value Chain definition provides a better picture of the transition taking place in manufacturing, as production jobs decline but at the same time jobs in design and/or logistics grow.

Health Sciences & Services: The Health Sciences & Services cluster replaces the analysis of the Health Care & Social Assistance industry for all regions. The cluster's definition better captures innovation and the areas of greater overlap that are developing between health care services and the health sciences, such as those seen where a university medical center (a part of health services) is also helping to drive research and development and technology-based innovations in biotechnology, pharmacology, medicine and medical devices (health sciences).

Professional, Scientific, Technical & Management Services: This grouping combines two sectors; Professional, Scientific & Technical Services and Management of Companies & Enterprises. This grouping is used for all of the current regional reports. The Management of Companies and Enterprises sector is a newer category introduced by the NAICS coding system. There appears to have been significant changes in the use of the NAICS codes within this sector since its introduction, where companies originally using this classification may no longer identify themselves in the sector. In some or many cases, they may be identifying themselves within the Professional, Scientific & Technical Services sector. Based on this fact, using the combined grouping for the analyses may provide a more complete picture of employment changes taking place in the professional services that fall into these categories. In the past reports, this grouping was used for the urban regions' reports; the two were considered separately in the rural regions' reports, and for some rural regions, only one of the two sectors was included.

THE ECONOMIC REGIONS

California is an economy of diverse regions. Each region has different industries, infrastructures and workforces. Because we have one of the largest and most diverse economies in the world, the Panel determined the need to analyze California's different economic regions based on factors that reflected the economic, demographic and geographic characteristics of each county in the state, such as metropolitan areas, population centers, industrial composition, and commute patterns. In general, the degree of similarity in characteristics among adjacent counties was the basis for establishing regional boundaries.

The Panel first defined these regions in 1996, with revisions in 1998. Detailed information may be found in the document, California Economic Regions, which is available online at http://www.labor.ca.gov/panel/ ESP_Regions_brochure-Mar_04.pdf. The only change made since then has occurred just this year, moving San Benito County into the Bay Area Region. This was done to match the new federal designation of San Benito County as a part of the San Jose Metropolitan Statistical Area.

Since most economic data are not collected at a more local level than the county, this necessitates defining economic regions as aggregations of counties, even when county boundaries do not precisely define an economic area.

The Panel has defined the current nine regions to be:

Northern California: Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Sierra, Siskiyou and Trinity Counties

Northern Sacramento Valley: Butte, Colusa, Glenn, Shasta and Tehama Counties

Greater Sacramento: El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba Counties

Bay Area: Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma Counties (San Benito was recently moved from the Central Coast Region to the Bay Area Region, with the federal change that moved San Benito into the San Jose Metropolitan Statistical Area)

Central Coast: Monterey, San Luis Obispo and Santa Barbara Counties

San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare Counties

Central Sierra: Alpine, Amador, Calaveras, Inyo, Mariposa, Mono and Tuolumne Counties

Southern California: Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties

Southern Border: Imperial and San Diego Counties

The following map delineates the regional boundaries:

THE CALIFORNIA ECONOMY AND THE REGIONAL PERSPECTIVES

California is an economy of diverse regions. Each region has different characteristics, industries, infrastructures and workforces. It is important to understand trends by region in order to understand the impact of policies and economic or natural events on the regional and statewide economy. At the same time, it is also important to understand California's strengths from a statewide perspective. This report offers a statewide overview and comparative analysis of the nine regions. Detailed economic base reports for all nine regions are also available.

CHARACTERISTICS

The following looks at the characteristics of each region and compares them to the state.

Population

California is home to over 37 million people. Of these, almost half live in the Southern California Region and one-fifth live in the Bay Area Region. The third largest region is the San Joaquin Valley Region, followed by the Southern Border Region.

Area	2006	% of Statewide
Statewide	37,172,015	100.0%
Northern California Region	546,741	1.5%
No. Sacramento Valley Region	510,388	1.4%
Greater Sacramento Region	2,229,940	6.0%
Bay Area Region	7,446,262	20.0%
Central Coast Region	1,109,709	3.0%
San Joaquin Valley Region	3,821,513	10.3%
Central Sierra Region	193,644	0.5%
Southern California Region	18,080,413	48.6%
Southern Border Region	3,233,405	8.7%

Source: U.S. Bureau of Economic Analysis

Labor Force

Overall, the regions' share of the labor force corresponds closely with its share of the population. The regions with the greatest difference between their share of the state's labor force and share of the population were the Bay Area Region and the San Joaquin Valley Region. (The variation was only 0.9%.) The Bay Area Region has a higher share of the state's workforce than it does of the population; however, the San Joaquin Valley Region has a higher share of the state's population than of the workforce.

Area	2005	% of Statewide
Statewide	17,695,568	100.0%
Northern California Region	183,678	1.0%
No. Sacramento Valley Region	239,042	1.4%
Greater Sacramento Region	1,136,678	6.4%
Bay Area Region	3,705,796	20.9%
Central Coast Region	557,475	3.2%
San Joaquin Valley Region	1,658,113	9.4%
Central Sierra Region	91,152	0.5%
Southern California Region	8,556,817	48.4%
Southern Border Region	1,566,817	8.9%

Source: EDD/Labor Market Information Division (LMID)

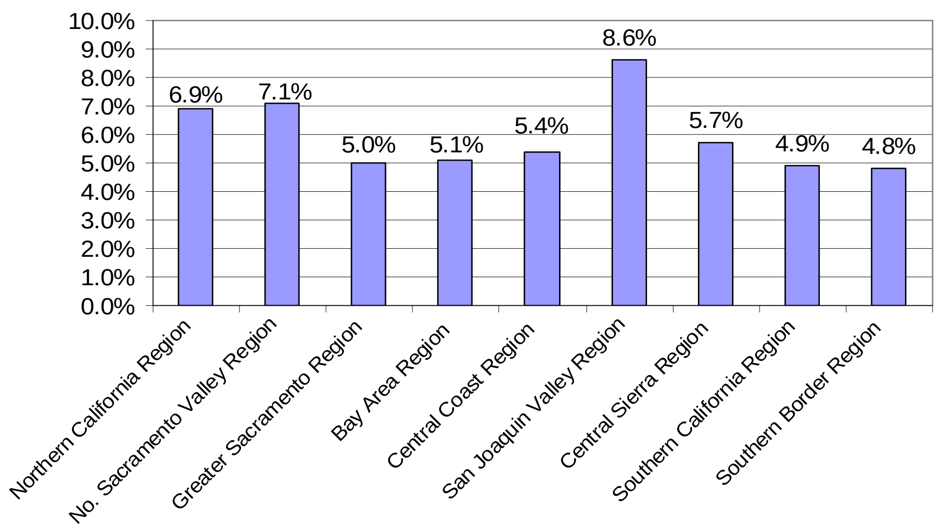
Unemployment Rate

The statewide unemployment rate was 5.4% in 2005. The region with the lowest unemployment rate was the Southern Border Region, at 4.8%. This region includes only two counties, San Diego and Imperial, and their combined unemployment rate masks the high unemployment in Imperial County (15.8%). Four regions have unemployment rates higher than the state's rate; they are all primarily rural regions. All four urban regions have unemployment rates lower than the statewide rate.

Area	2005	% of Statewide
Statewide	5.4%	100.0%
Northern California Region	6.9%	127.3%
No. Sacramento Valley Region	7.1%	132.2%
Greater Sacramento Region	5.0%	92.1%
Bay Area Region	5.1%	93.8%
Central Coast Region	5.4%	99.8%
San Joaquin Valley Region	8.6%	158.6%
Central Sierra Region	5.7%	105.2%
Southern California Region	4.9%	91.6%
Southern Border Region	4.8%	88.0%

Source: EDD/LMID

Comparison of Unemployment Rates by Region



Source: EDD/LMID

Per Capita Income

The statewide per capita income in 2004 was $35,219. Of the nine regions, only the Bay Area and the Southern Border Regions had higher per capita income levels. The region with the lowest per capita income was the San Joaquin Valley.

Area	2004	% of Statewide
Statewide	35,219	100.0%
Northern California Region	27,097	76.9%
No. Sacramento Valley Region	25,631	72.8%
Greater Sacramento Region	32,775	93.1%
Bay Area Region	46,927	133.2%
Central Coast Region	34,329	97.5%
San Joaquin Valley Region	24,648	70.0%
Central Sierra Region	27,705	78.7%
Southern California Region	33,264	94.4%
Southern Border Region	37,167	105.5%

Source: U.S. Bureau of Economic Analysis

Average Annual Wages

The statewide average annual wages in 2004 was $43,724.[1] The region with the highest average annual wages in 2004 was the Bay Area Region, followed by the Southern California Region and the Southern Border Region. The region with the lowest average annual wages was the Central Sierra Region, followed by the Northern California Region and the Northern Sacramento Valley Region.

Area	2004	% of Statewide
Statewide	$ 43,724	100%
Northern California Region	$ 26,420	60.4%
No. Sacramento Valley Region	$ 27,901	63.8%
Greater Sacramento Region	$ 37,578	85.9%
Bay Area Region	$ 57,299	131.0%
Central Coast Region	$ 33,302	76.2%
San Joaquin Valley Region	$ 29,562	67.6%
Central Sierra Region	$ 25,883	59.2%
Southern California Region	$ 42,360	96.9%
Southern Border Region	$ 40,951	93.7%

Source: LMID/California Regional Economies Employment Series (CREE)

[1] This information is taken from the total wages reported by employers for all industries. The average is calculated by dividing the total wages by the total employment (average annual employment); the wages and employment data reported do not distinguish between part and full time hours or overtime hours worked. This statistic provides good information for making comparison and tracking trends; it may not be the best resource for employers to use when determining an appropriate pay scale for their workforce.

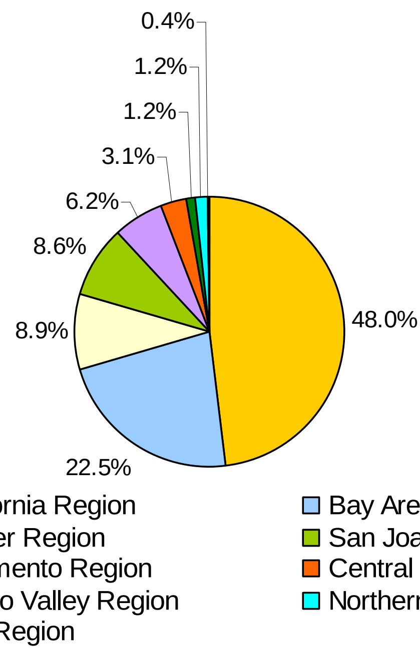
California's Jobs

The following table shows the private industry (including agriculture) and government employment in each region and statewide, and the percentage of the state's jobs in each region, for 2004.

Area	Private Industry	All Government	Total	% of Statewide
Statewide	12,332,055	2,359,010	14,691,065	100%
Northern California Region	124,927	49,260	174,187	1.2%
No. Sacramento Valley Region	139,768	37,540	177,308	1.2%
Greater Sacramento Region	683,583	231,800	915,383	6.2%
Bay Area Region	2,848,675	491,700	3,340,375	22.7%
Central Coast Region	369,957	88,000	457,957	3.1%
San Joaquin Valley Region	1,031,529	251,000	1,282,529	8.7%
Central Sierra Region	39,654	19,500	59,154	0.4%
Southern California Region	6,138,538	994,500	7,133,038	48.6%
Southern Border Region	1,094,207	230,800	1,325,007	9.0%

Source: LMID/CREE

Share of California's Jobs by Economic Region



Source: LMID/CREE

(Industries are listed in order as they appear in the chart, reading left to right across columns.)

CALIFORNIA'S ECONOMIC BASE

The industries and industry clusters in the state's economic base vary from region to region, reflecting the uniqueness of each region. For the purpose of this analysis, all industries and clusters found in each region's economic base have been compiled to represent the state's overall economic base. Using an inclusive approach provides the opportunity to contrast and compare industries and clusters of importance to all regions, whether large or small, and urban or rural.

This discussion of the economy from a statewide perspective is an attempt to respond to the needs of policy-makers and program administrators who occasionally require a statewide picture of the economy; however, it is recommended that the economy be reviewed from a regional perspective whenever possible. Further, when considering the economic impact of policies and administrative decisions, it is important to look at the regional impact of such decisions. As seen in the recent recession, events impacting one industry in high concentration in one region can have a significant effect on the statewide economy. (During the recent recession, the Bay Area Region's huge job losses in high tech and information services were so significant that they overshadowed job growth in other regions during that same period.)

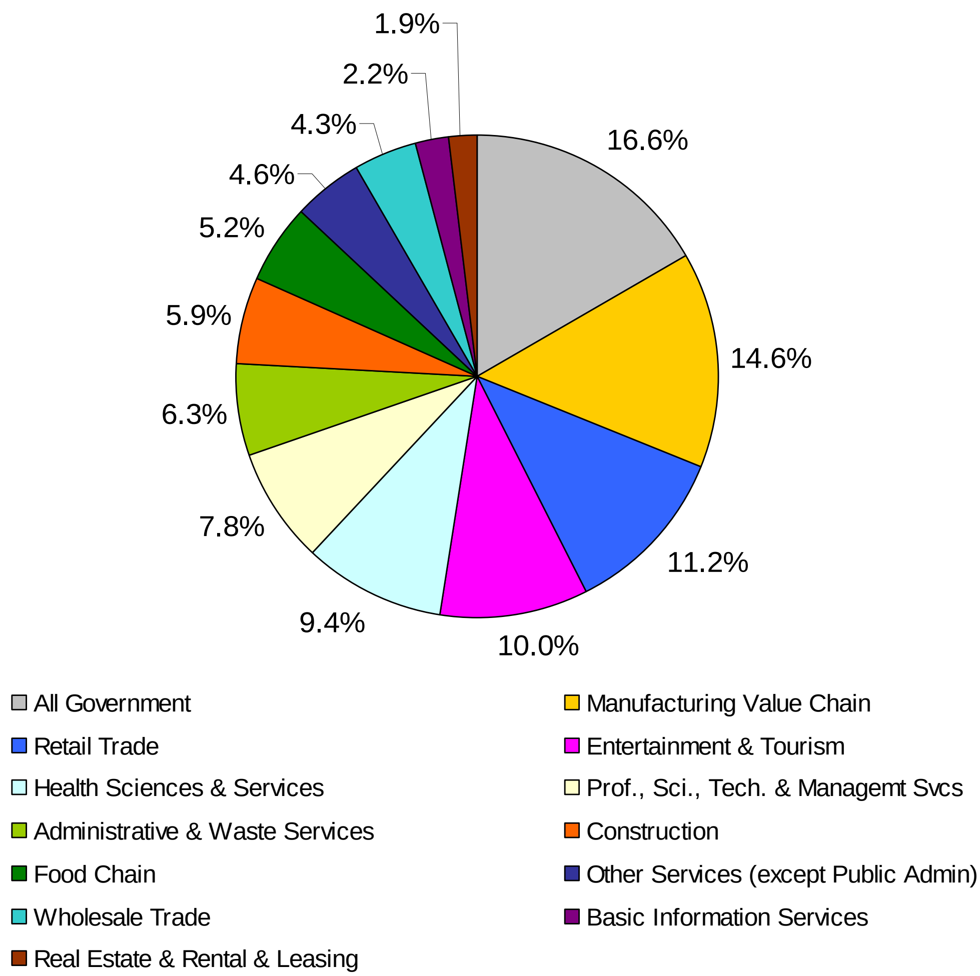
The following table lists the industries and clusters included in this analysis of California's economic base, and indicates those industries and clusters included in each region' s economic base:

California	No. Calif.	No. Sac. Valley	Gr. Sac.	Bay Area	Cent. Coast	San Joaquin Valley	Cent. Sierra	So. Calif.	So. Border
Food Chain	X	X	X	X	X	X		X	X
Construction	X	X	X	X	X	X	X	X	X
Manufacturing Value Chain		X	X	X		X		X	X
Wholesale Trade			X	X	X			X	X
Retail Trade	X	X			X	X	X		
Basic Information Services			X	X				X	X
Real Estate & Rental & Leasing							X		
Prof, Sci., Tech. & Mgmt Svcs	X		X	X	X	X	X	X	X
Admin & Waste Services	X	X			X	X	X		
Health Sciences & Services	X	X	X	X	X	X	X	X	X
Entertainment & Tourism	X	X	X	X	X	X	X	X	X
Other Services	X	X				X	X		
All Government	X	X	X	X	X	X	X	X	X

See Appendix A for the definition by NAICS classification for each industry sector and cluster.

The following graph shows the composition of California's economic base in 2004, based on employment. This looks at the state's economic composition using all of the traditionally defined industry sectors, rather than the economic base industries, as the definition of economic base industries varies from region to region[2].

California's Economic Base Composition



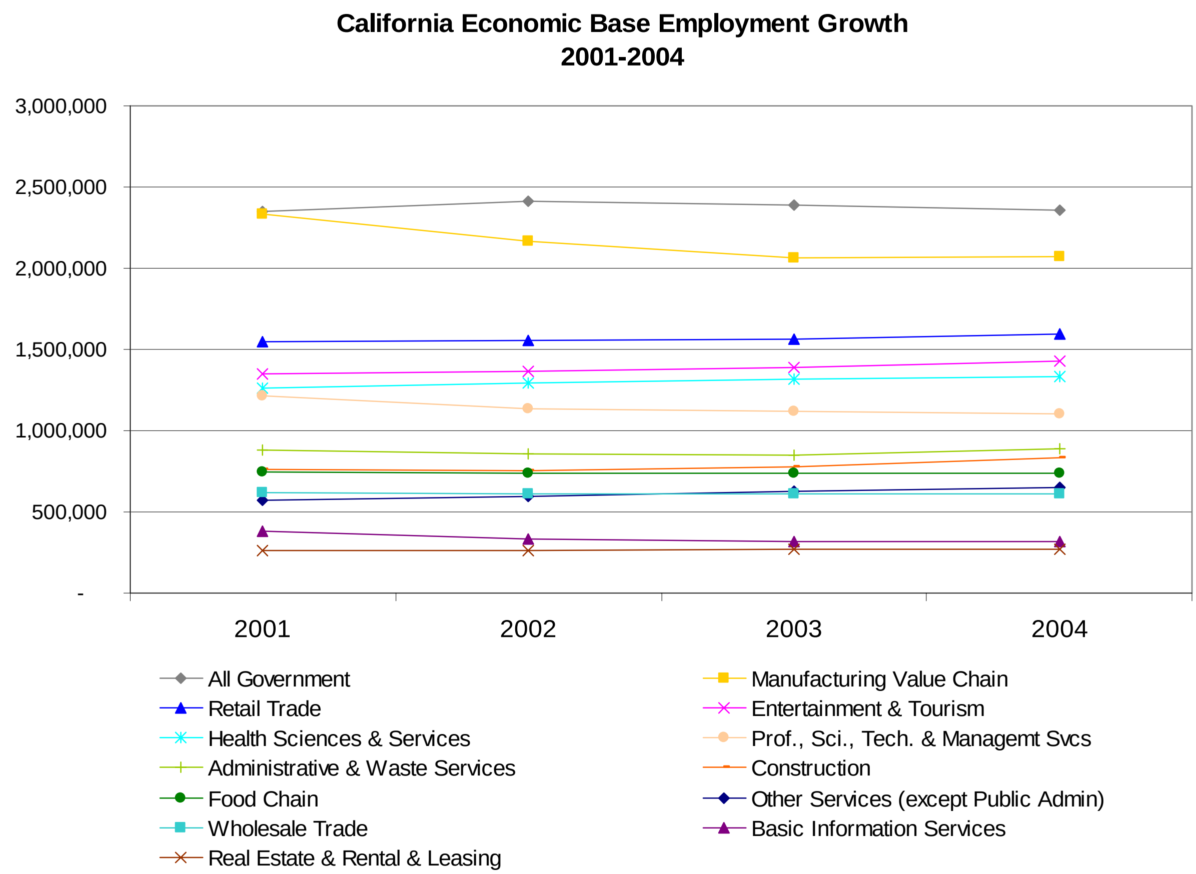
(Industries are listed in order as they appear in the chart, reading left to right across columns.)

All Government provides the most jobs of all industries and clusters in the state's economic base, and it is the leading employer in most regions. This industry includes education, defense, police and firefighting jobs, as well as public service jobs, and represents all levels of government - federal, state and local.

The Manufacturing Value Chain provides the most private industry economic base jobs for the state, with 2,068,100 jobs in 2004; however, the industry lost 262,600 jobs from 2001 to 2004 (down over 11%). The next largest industry was Retail Trade, with 1,591,500 jobs (up almost 3%), followed by Entertainment & Tourism (over 1,425,800 jobs, up almost 6%) and Health Sciences & Services (over 1,331,500 jobs, up almost 6%).

[2] For the purpose of the statewide analysis, the Entertainment & Tourism industry includes Food Services (Food Services is not included in the definition of the Entertainment & Tourism industry for urban regions.)

The next graph shows employment growth from 2001 to 2004 for all industries and clusters in the economic base:



The industry reporting the highest percentage of employment growth was Other Services[3], up over 13%, from almost 574,500 jobs in 2001 to over 650,500 jobs in 2004. This was followed by Construction, up almost 10%, from 762,800 jobs in 2001 to over 836,900 jobs in 2004.

The industry losing the highest percentage of its employment from 2001 to 2004 was Basic Information Services, down 17.5%, from 381,600 jobs in 2001 to over 314,700 jobs in 2004. The Manufacturing Value Chain was second highest in percentage of jobs lost.

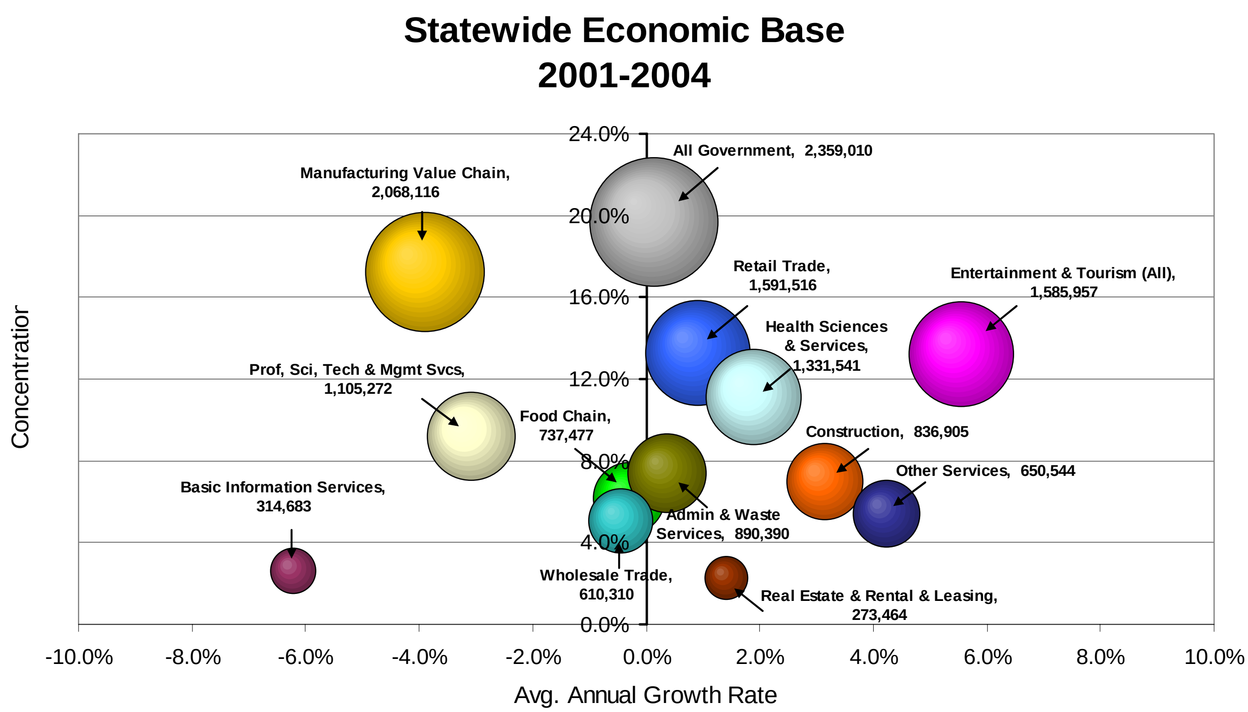
The following charts provide information on the state's economic base composition at-a-glance through the use of bubble charts.

Interpreting the chart:

- Bubble size: The size of the bubble represents the employment size of the industry in the region (number of jobs).
- Horizontal placement of bubble: The position from left to right indicates the employment change – to the left of zero means job losses, and to the right means job growth. The net change is graphed as a percentage.

[3] Other Services includes a variety of services, such as automotive repair, religious and civic organizations, personal care services and professional organizations; it does not include public administration. See Appendix A for details.

- o Vertical placement of bubble: The vertical position indicates the percentage of the economic base jobs that the industry or cluster provides. (In a later section, this position will represent the concentration of the industry in a region, compared to the concentration at the statewide level. See *The Regional Compositions At-A-Glance*.)
- o Bubble color: The color representing a particular industry or cluster is consistent with those used in the regional charts later in this report. (See *The Regional Compositions At-A-Glance*.)



Highlights from the statewide perspective:

- o All Government provides the most jobs in the economic base, followed by the Manufacturing Value Chain, Retail Trade, Entertainment & Tourism (using the statewide definition of Entertainment & Tourism), and Health Sciences & Services.
  (All Government represents federal, state and local government jobs, and includes state and local education, federal defense, police and firefighting jobs, as well as public service jobs.)
- o Entertainment & Tourism reported the highest rate of job growth from 2001 to 2004, followed by Other Services, Construction and Health Sciences & Services.
- o Basic Information Services reported the highest rate of job losses from 2001 to 2004, followed by the Manufacturing Value Chain and Professional, Scientific, Technical & Management Services. The other two industries reporting job losses for this period include Wholesale Trade and the Food Chain cluster.
- o Eight of the thirteen industries and clusters in the economic base reported job growth from 2001 to 2004, which represents the recent recession and initial recovery period.

The following table shows the average annual wages for all industries and for the economic base industries and clusters, both statewide and regionally. This information is provided for all regions, regardless of whether a particular industry or cluster is considered a part of the region's economic base.

Average Annual Wages 2004	Statewide	No. Calif.	No. Sac. Valley	Gr. Sac.	Bay Area	Cent. Coast	San Joaquin Valley	Cent. Sierra	So. Calif.	So. Border
ALL INDUSTRIES	43,724	26,420	27,901	37,578	57,299	33,302	29,562	25,883	42,360	40,951
Food Chain	31,939	24,547	27,799	34,856	39,676	26,813	25,879	23,899	36,633	30,231
Construction	43,707	33,309	34,189	41,939	51,334	41,330	36,578	32,454	42,351	43,670
Manufacturing Value Chain	54,162	36,135	37,409	50,850	76,042	46,662	37,912	34,029	47,712	54,038
Wholesale Trade	52,906	31,809	36,348	48,726	64,649	46,557	41,842	32,786	50,973	52,351
Retail Trade	28,546	22,427	24,101	27,546	31,959	26,180	24,491	22,979	28,544	27,694
Basic Information Services	83,197	37,957	37,678	55,891	111,349	57,481	45,437	43,025	68,274	93,932
Real Estate & Rental & Leasing	42,461	23,235	22,644	38,180	47,111	31,659	29,102	28,211	44,535	39,252
Prof, Scientific, Tech. & Mgmt Services	71,904	34,193	37,339	56,470	91,609	56,742	43,930	41,118	65,792	64,746
Admin & Waste Services	28,923	23,946	20,372	25,745	36,627	27,151	22,964	23,833	27,198	28,718
Health Sciences & Services	49,205	32,873	34,919	46,697	60,984	43,340	39,339	33,289	45,970	50,940
Entertainment & Tourism (Rural)*	20,802	12,163	11,943	15,114	20,390	17,928	12,766	16,993	24,014	18,580
Entertainment & Tourism (Urban)*	45,259	13,705	13,563	20,182	32,498	24,243	15,900	19,921	58,423	25,850
Entertainment & Tourism (Statewide)*	26,163	12,185	11,942	15,032	21,769	18,156	12,744	16,974	33,257	18,616
Other Services	23,542	17,885	18,367	26,088	28,311	22,022	19,496	20,200	22,317	22,394
All Government	47,835	35,440	36,279	51,381	53,981	44,980	41,630	37,731	47,631	45,965
Federal	57,869	47,231	47,820	56,765	61,093	59,715	53,150	43,162	57,825	59,395
State	51,169	41,531	49,112	59,310	56,226	45,645	44,093	42,857	46,449	42,120
Local	45,479	32,548	33,103	42,110	52,078	42,224	39,471	35,738	46,586	43,208

** The definition of the Entertainment & Tourism industry differs from urban to rural regions, for the purpose of this report. For urban regions, Entertainment & Tourism combines Arts, Entertainment & Recreation with Accommodation and Motion Picture & Sound Recording Industries; it does not include Food Services. For rural regions, Entertainment & Tourism combines Accommodation & Food Services with Arts, Entertainment & Recreation; it does not include Motion Picture & Sound Recording Industries. For the statewide analysis, the Entertainment & Tourism industry combines Accommodation & Food Services with Arts, Entertainment & Recreation, and also includes Motion Picture & Sound Recording Industries.*

*** Government average annual wages include the wages for a broad spectrum of jobs, including elected officials and executive branch, judicial, defense, law enforcement, firefighting, education and other public administration jobs. The source for this data is the Bureau of Labor Statistics (BLS) online QCEW data, as the CES data used for the government employment numbers does not include wage information. Wage data for some counties was suppressed.*

The average annual wage is calculated by dividing the total wages (reported by employers) by the total employment (reported by employers); the wages and employment data reported do not distinguish between part and full time hours or overtime hours worked. This statistic provides good information for making comparison and tracking trends; however, it may not be the best resource available for employers or researchers and service providers to use when determining a competitive or typical pay scale for employees in a particular industry and/or region.

ECONOMIC BASE INDUSTRIES AND CLUSTERS

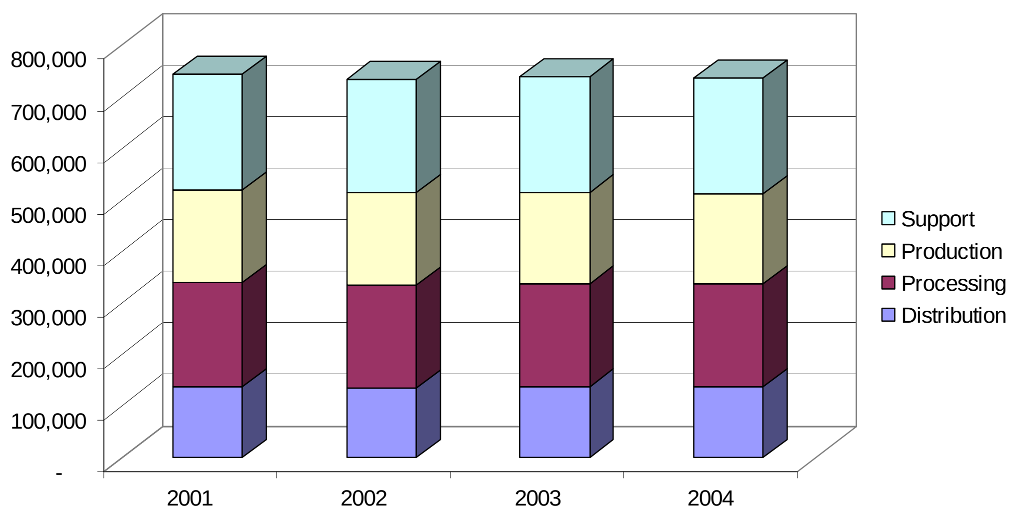
This section discusses each of the economic base industries and clusters in further detail, and looks at not only the industry or cluster's employment size, but also the concentration in each region. The concentration better reflects the industry's or cluster's importance to the region. For the concentration values, a value greater than one means the industry or cluster represents a larger percentage of the region's total jobs than it represents of the state's total jobs. (The concentration is a ratio of the regional concentration compared to the statewide concentration.)

The Food Chain

The Food Chain cluster has been defined by the California Regional Economies Project as including not only agricultural Production sectors, but also Support, Processing and Distribution sectors. The previous economic base report only looked at agriculture as a part of the Resource Based industries. This report will instead examine the Food Chain cluster.

The Food Chain cluster provides over 5% of the economic base jobs for California. For the 2001-2004 period, the Food Chain cluster experienced net job losses of less than 1%, dropping from just over 744,300 jobs in 2001 to almost 737,500 jobs in 2004. In 2004, Support represented almost 31% of the cluster; Production represented almost 24%; Processing represented 27%; and, Distribution represented almost 19%.

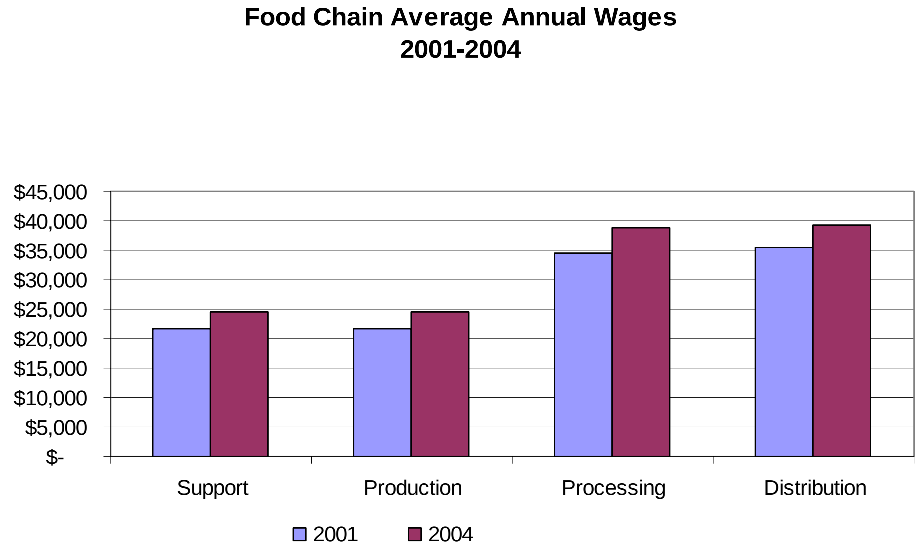
California's Food Chain Cluster Employment



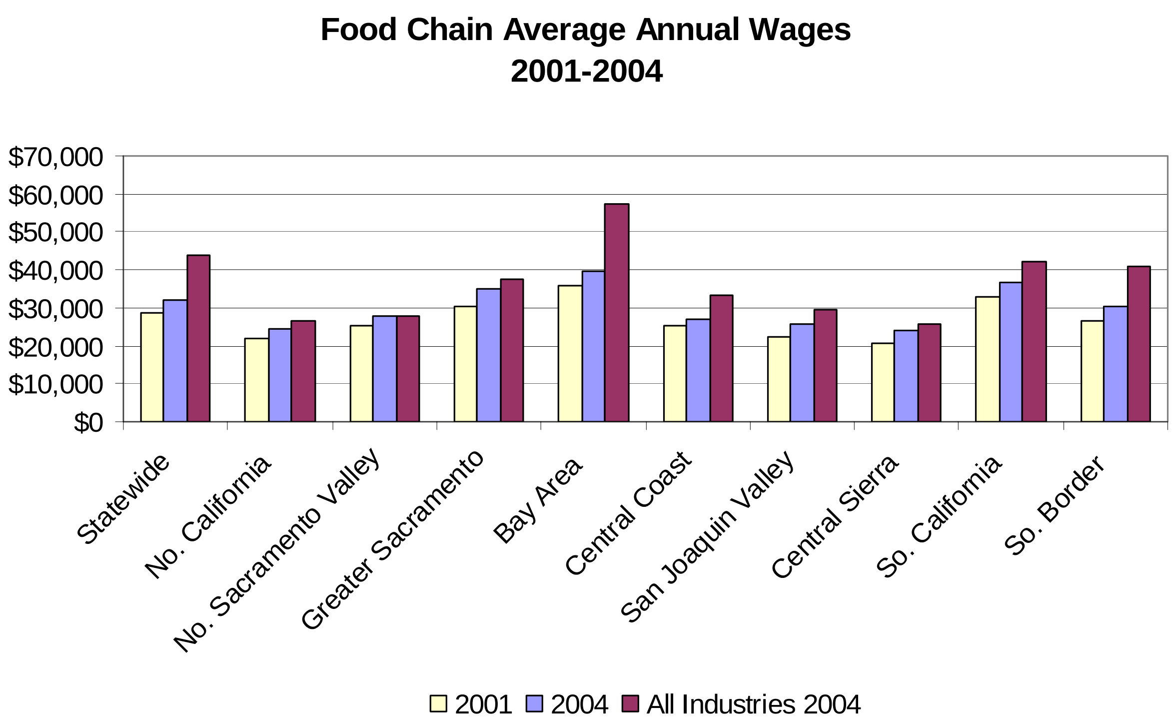
Support includes sub-sectors such as support activities for crop production and animal production; water supply and irrigation systems; agricultural chemical manufacturing; and, veterinary services. Production includes crop farming, animal production, and fishing, hunting and trapping. Processing includes food product manufacturing, food container manufacturing, soft drink and ice manufacturing, breweries, wineries and distilleries. Distribution includes grocery, farm product, alcoholic beverage and farm supply wholesalers, and specialty food stores and farm product warehousing and storage.

The cluster's statewide average annual wage in 2004 was $31,939. Within the cluster, for Support jobs the average annual wage in 2004 was $24,504; for Production jobs the average was $24,558; for Processing jobs the average was $38,783; and, for Distribution jobs the average was $39,188. The region reporting the highest average annual wage is the Bay Area Region; the region reporting the lowest average is the Central Sierra Region.

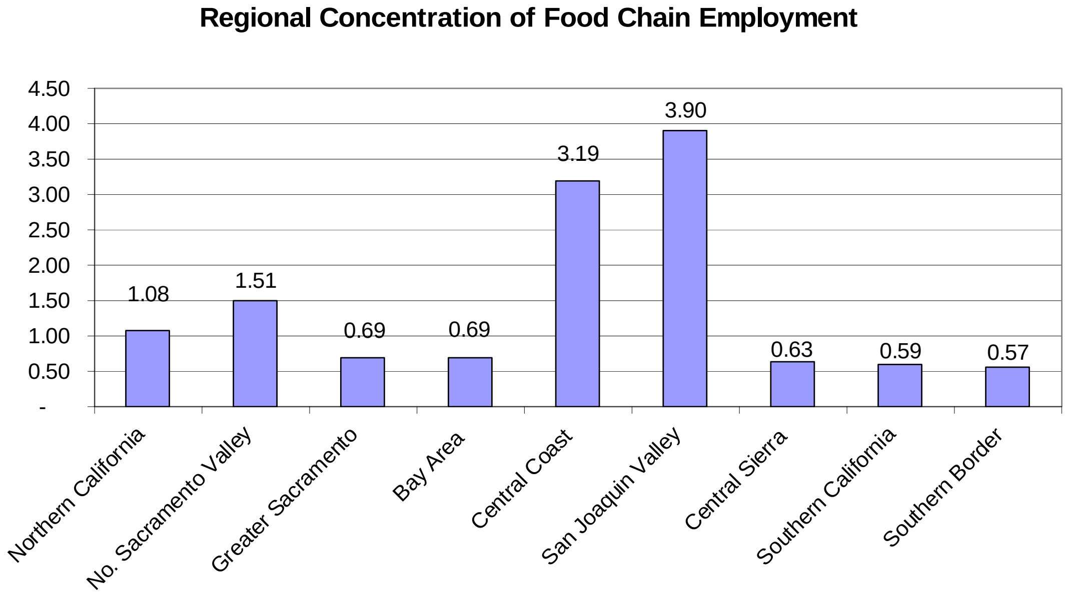
The following chart shows the change in the average wages from 2001 to 2004:



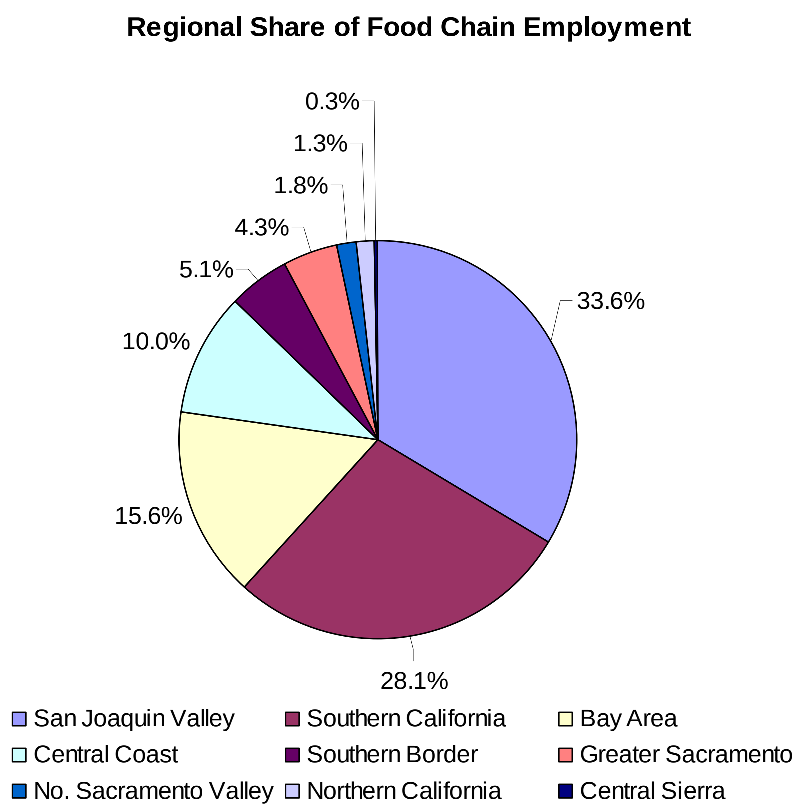
The next chart compares the average annual wage statewide and across regions for 2001 and 2004, and also compares this to the statewide and regional averages for all industries in 2004:



The San Joaquin Valley Region has the highest concentration of Food Chain jobs in California, followed by the Central Coast Region. In both regions, the concentration of Food Chain jobs is more than three times the statewide concentration. (A value of 1.0 is equal to the state's concentration.)



Most of the state's Food Chain jobs are found in the San Joaquin Valley Region, followed by the Southern California, Bay Area and Central Coast Regions.

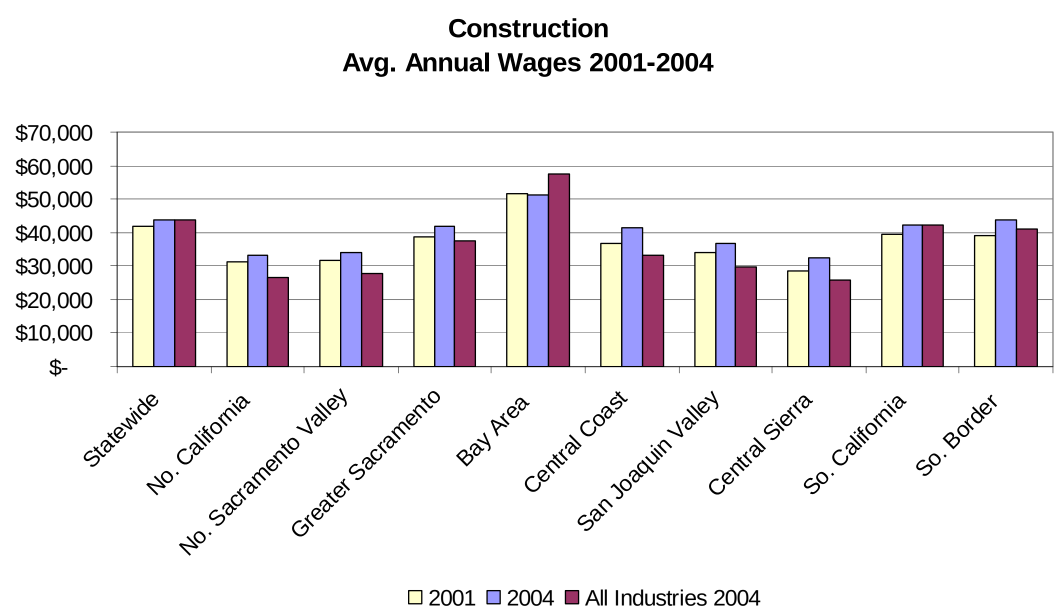


Construction

Construction is the eighth largest component of California's economic base. In 2004, Construction jobs accounted for over 5% of the economic base and almost 6% of the state's total employment. The industry reported net job growth from 2001 to 2004 of almost 10% (up over 74,100 jobs), although there was a dip in employment in 2002.

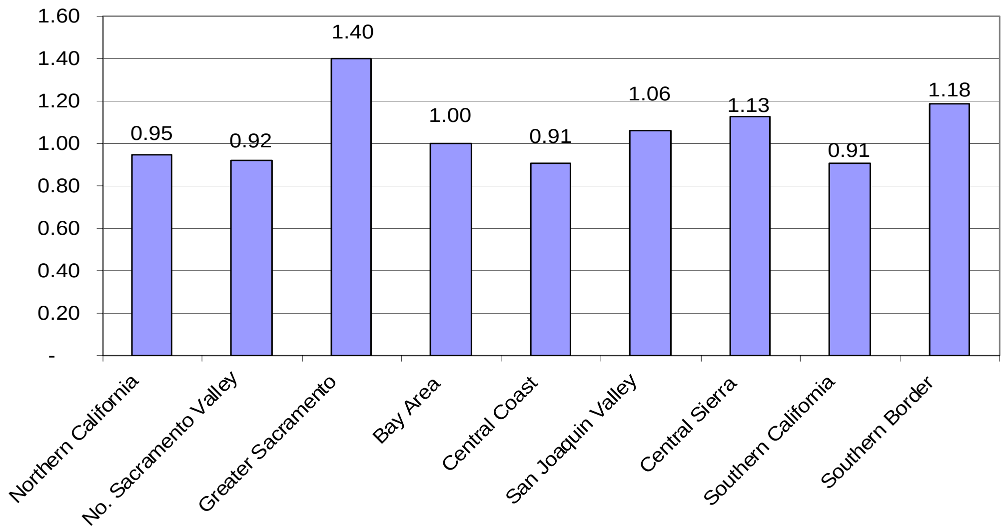
Within the Construction industry, the Construction of Buildings and Specialty Trade Contractors sectors reported growth from 2001 – 2004, up over 10% and 11% respectively, while the Heavy and Civil Engineering Construction sector experienced slight job losses, down less than 900 jobs or 1%.

The industry's statewide average annual wage in 2004 was $43,707, up 4.5% from the average of $41,838 in 2001. The next chart compares the average annual wage statewide and across regions for 2001 and 2004, and also compares this to the statewide and regional averages for all industries in 2004:



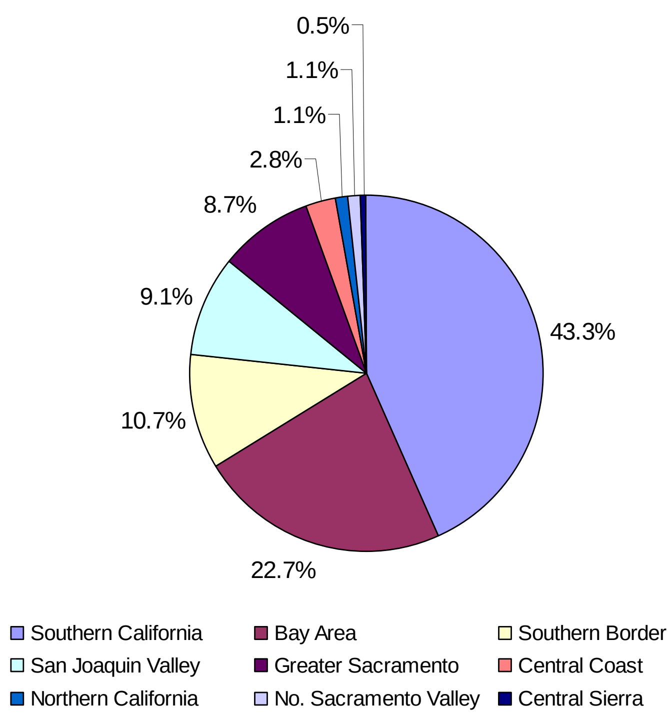
The Greater Sacramento Region has the highest concentration of Construction jobs in the state, followed by the Southern Border Region, the Central Sierra Region and the San Joaquin Valley Region.

Regional Concentration of Construction Employment



The following graph shows where the Construction jobs are in California. This does not factor in the concentration and therefore the importance of the industry to a particular region. The Southern California Region has the highest number of Construction jobs due to its size, even though it has a lower concentration of its jobs in this industry than other regions.

Regional Share of Construction Employment



The Manufacturing Value Chain

Manufacturing industries are important for innovation, high wages and exports. Yet, the production component of manufacturing is not likely to be a growing source of job growth for the region or the state.

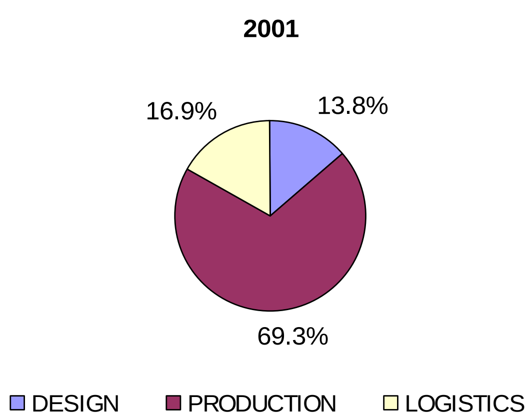
California's manufacturing industry is undergoing a transformation. While traditional manufacturing (production) jobs are declining, job growth is occurring in the design and logistics (warehousing and delivery) phases of manufacturing. Innovations in production technology have impacted the number of production jobs while the "just in time" approach to supply and delivery is lowering warehousing costs and has increased the number and types of jobs in logistics.

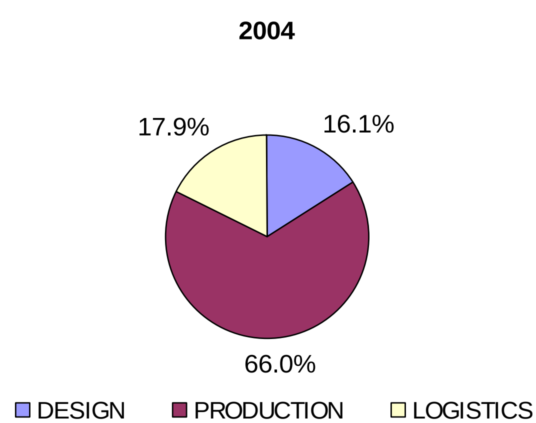
The California Regional Economies Project calls this industry cluster the Manufacturing Value Chain. The design and logistics components of manufacturing are providing more middle and higher-level jobs that pay well and offer career development opportunities.

Manufacturing remains a critical component of the California economy. It is the second largest component of the economic base after All Government, and the largest private industry in the economic base. The Manufacturing Value Chain cluster provides almost 15% of the jobs in the economic base, and 14% of all jobs in the state.

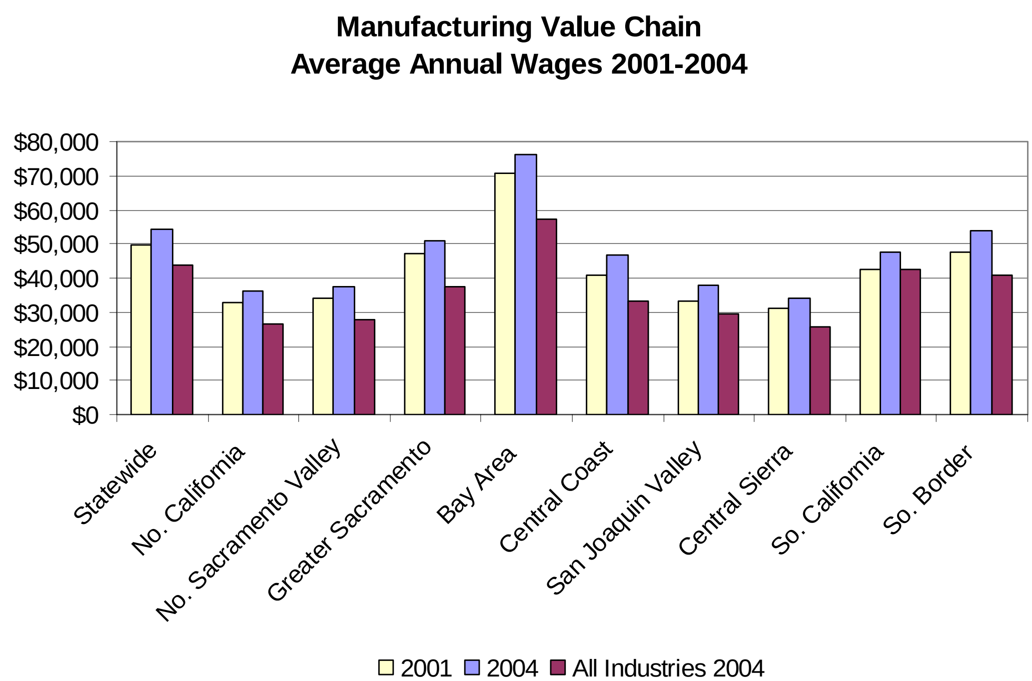
In 2004, Design represented just over 16% of the jobs in the Manufacturing Value Chain cluster; Production represented 66%; and, Logistics represented almost 18% of the cluster. Since 2001, the Design and Logistics components' shares of the cluster's employment have increase while Production has decreased. Design grew jobs from 2001 – 2004, while Production and Logistics lost jobs. Overall, the cluster lost over 262,600 jobs from 2001-2004, or 11.3%; Production lost the most jobs, down almost 249,100 jobs or almost 15%.

The following graph illustrates how Design, Production and Logistics jobs have changed in California from 2001 to 2004:

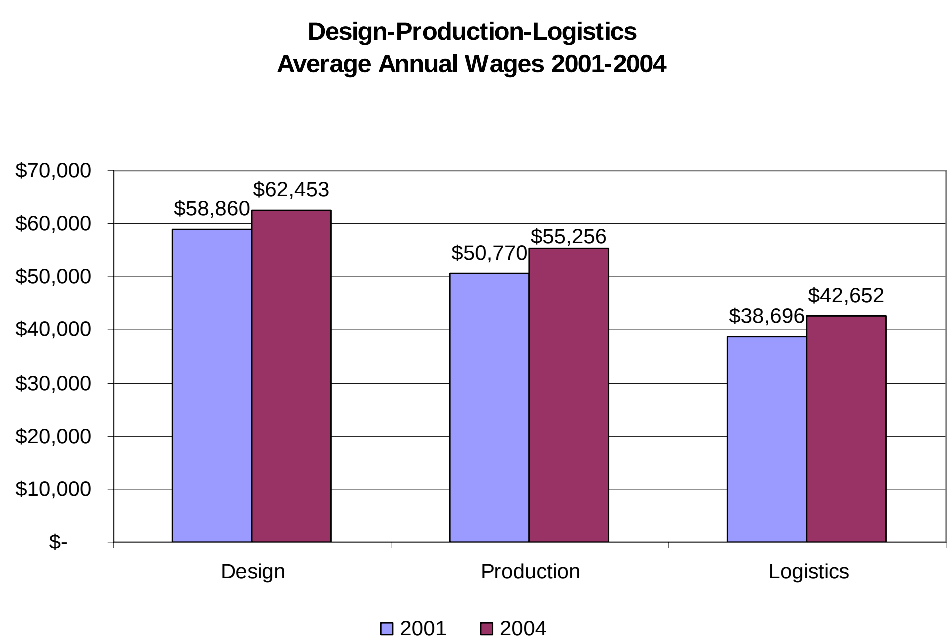




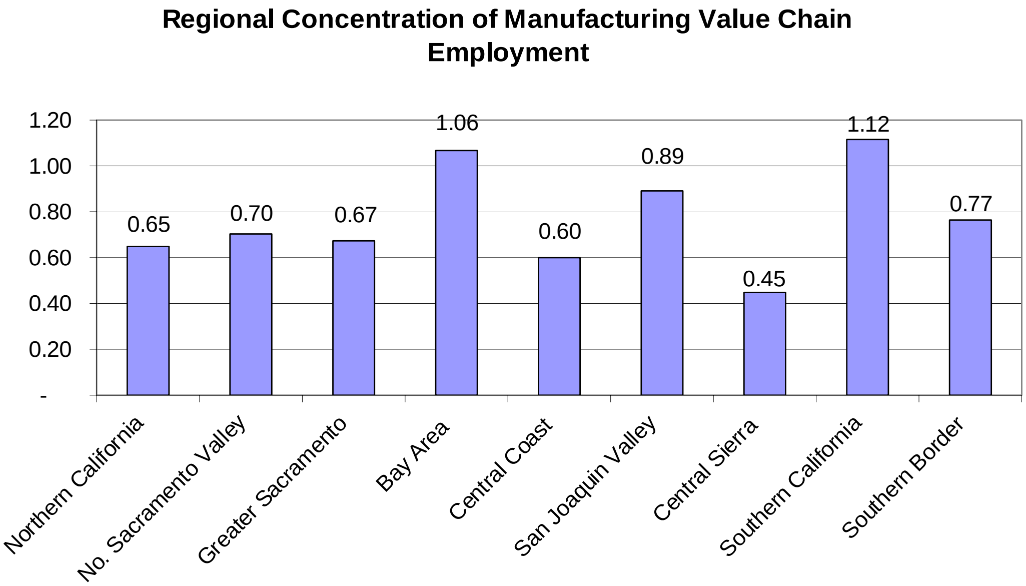
The cluster's statewide average annual wage in 2004 was $54,162, up almost 9% from $49,842 in 2001. The following chart compares the average annual wage statewide and across regions for 2001 and 2004, and also compares this to statewide and regional averages for all industries in 2004:



Within the cluster, the component with the highest average annual wage is Design, with an average of $62,453 in 2004. The following chart shows the average annual wage for each component and compares the change from 2001 to 2004:

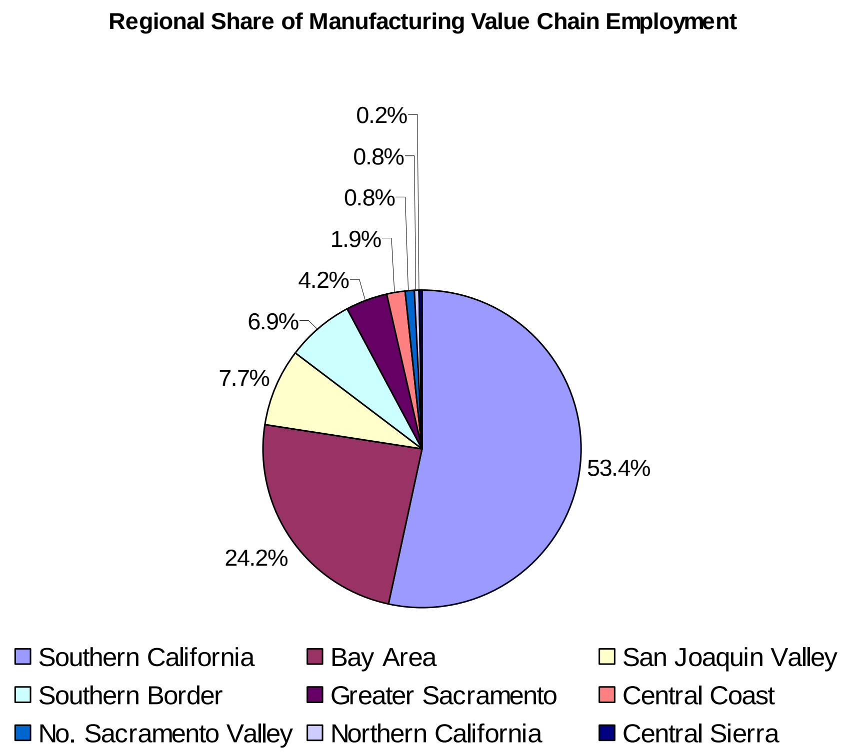


The Southern California Region has the highest concentration of Manufacturing Value Chain jobs, followed by the Bay Area Region.



Over half of all Manufacturing Value Chain jobs are found in the Southern California Region. This is mainly due to the sheer size of the region (based on employment and population), and also reflects the cluster's concentration in the region.

The following graph shows where the industry's jobs are in California; however, this does not take the regional concentrations into account.

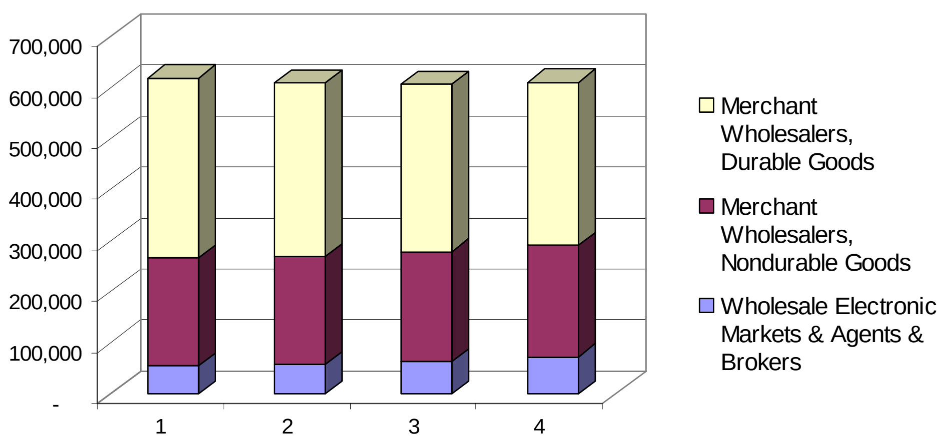


Wholesale Trade

Wholesale Trade provided over 4% of the economic base jobs for California in 2004, and over 4% of all jobs in the state. From 2001 to 2004, Wholesale Trade reported net job losses of just over 1%, down 8,500 jobs from almost 618,800 in 2001 to over 610,300 in 2004.

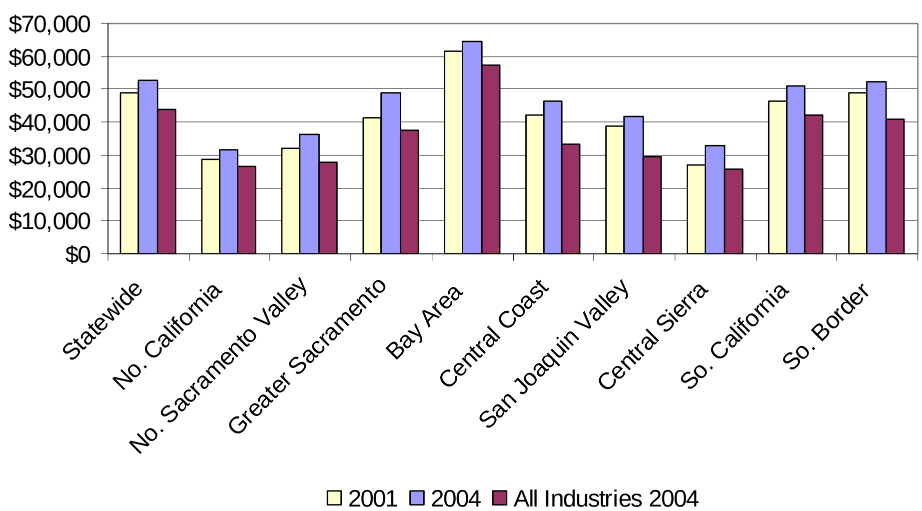
During this period, two of the three sectors reported growth; Wholesalers of Nondurable Goods grew almost 3%, and the smaller sector, Wholesale Electronic Markets & Agents & Brokers, grew by over 35%. At the same time, Wholesalers of Durable Goods experienced job losses of over 9%.

Wholesale Trade Employment Statewide

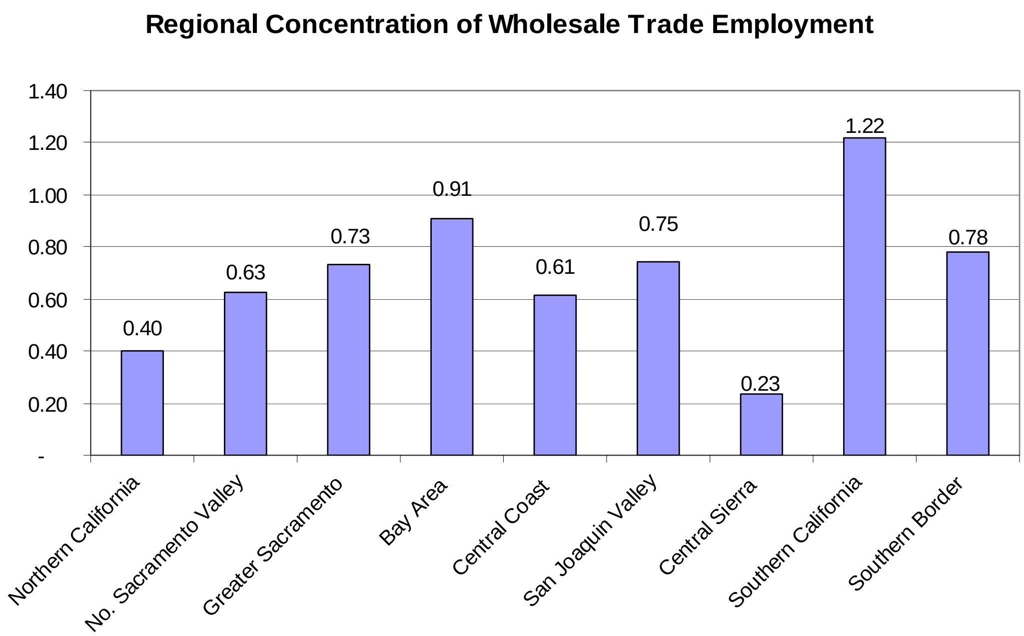


The industry's statewide average annual wage in 2004 was $52,906, up almost 8% from the 2001 average of $49,084. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

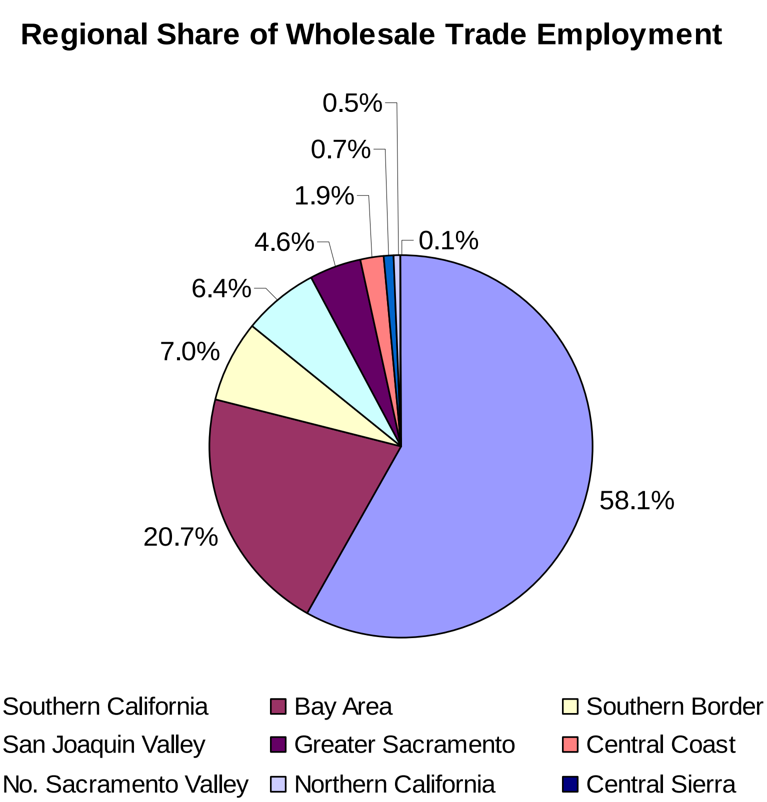
Wholesale Trade
Average Annual Wages 2001-2004



Only one region, Southern California, has a concentration of jobs in Wholesale Trade that is higher than the state level. Concentration is highest in the four urban regions and the San Joaquin Valley Region.



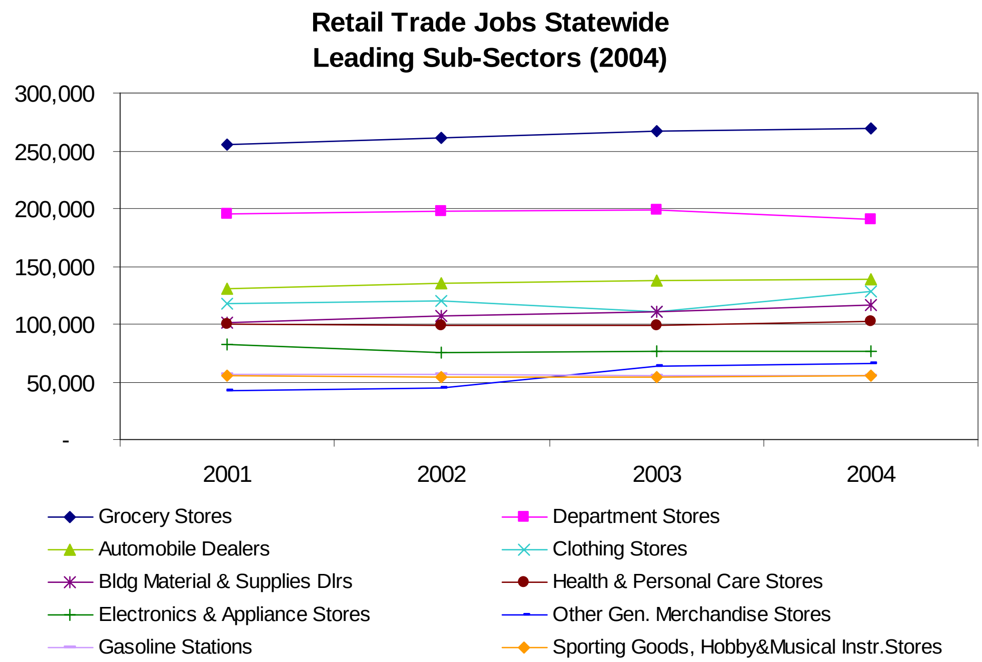
The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.



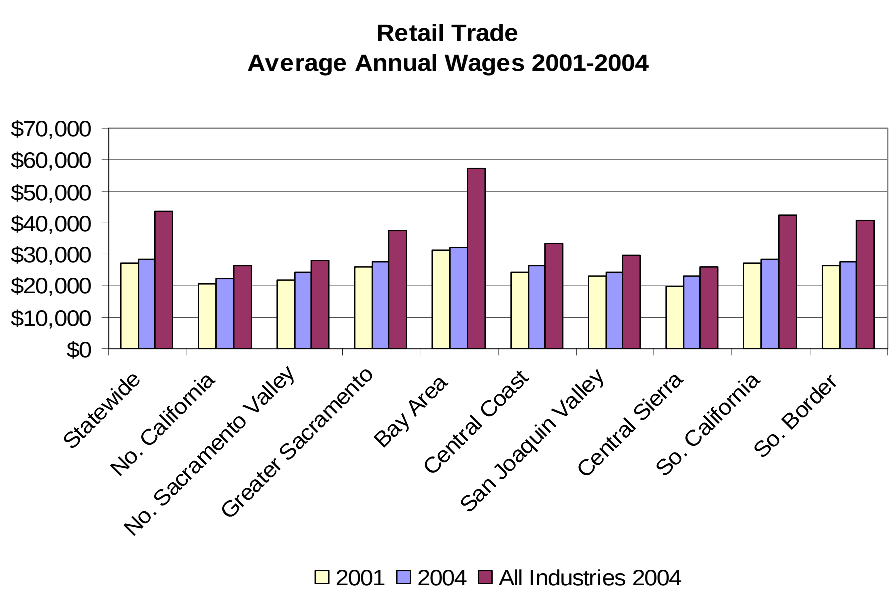
Retail Trade

The Retail Trade industry is the third largest component of the state's economic base, and the second largest private industry sector in the economic base. Retail Trade provides over 11% of the jobs in the economic base, and almost 11% of all jobs in the state.

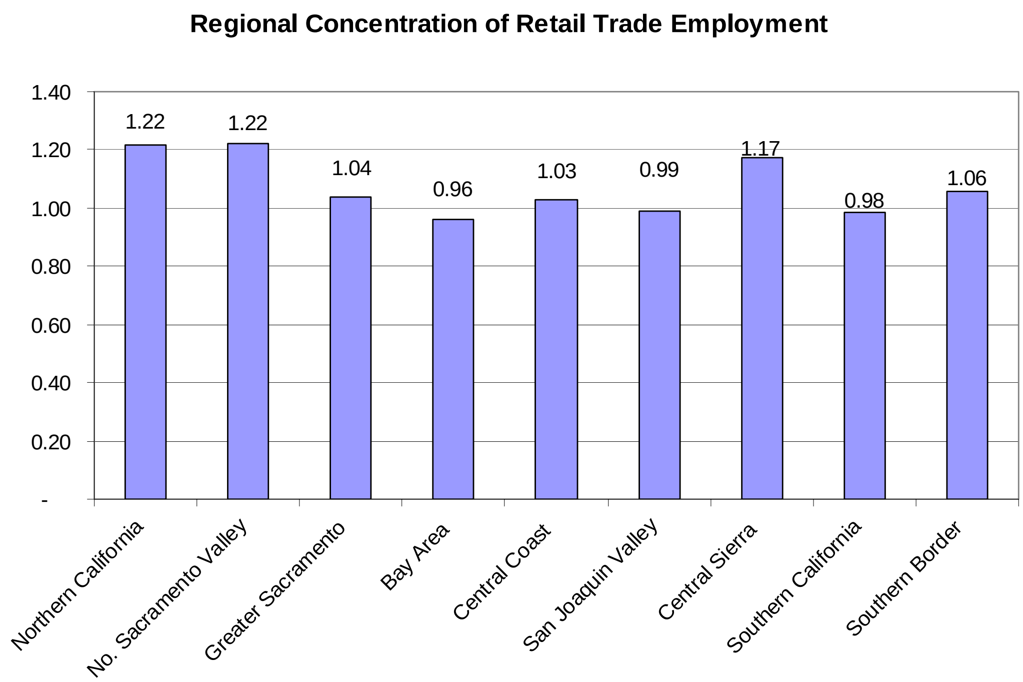
From 2001 to 2004, the Retail Trade industry grew by 42,900 jobs, or almost 3%, with growth reported each year. Within the industry, the largest sub-sectors are Grocery Stores, Department Stores, Automobile Dealers and Clothing Stores.



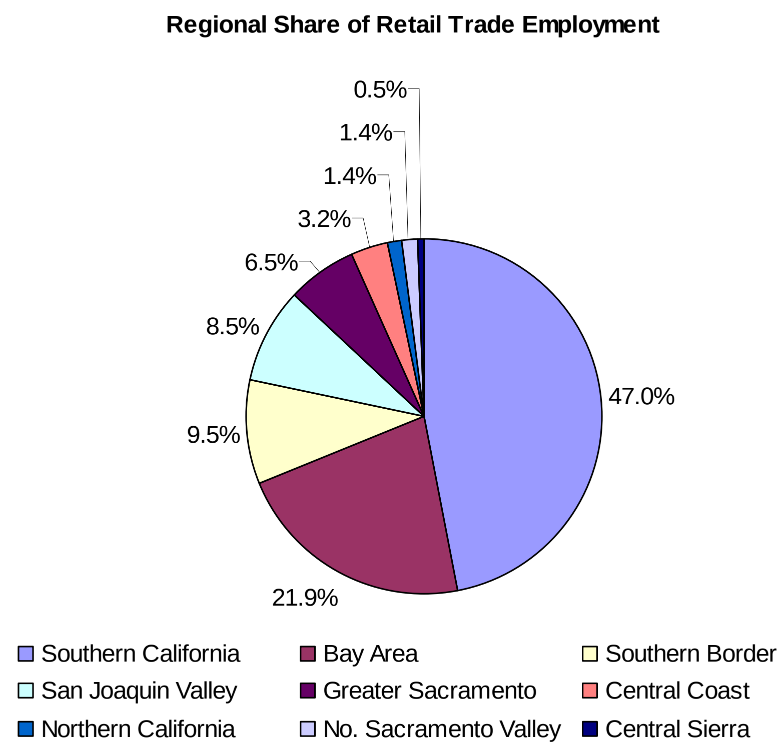
The industry's statewide average annual wage in 2004 was $28,546, up 4.5% from the 2001 average of $27,320. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:



Six regions have a concentration of Retail Trade jobs higher than the state's concentration; the other three are slightly lower. The regions with the highest concentrations are the Northern California, Northern Sacramento Valley and Central Sierra Regions.



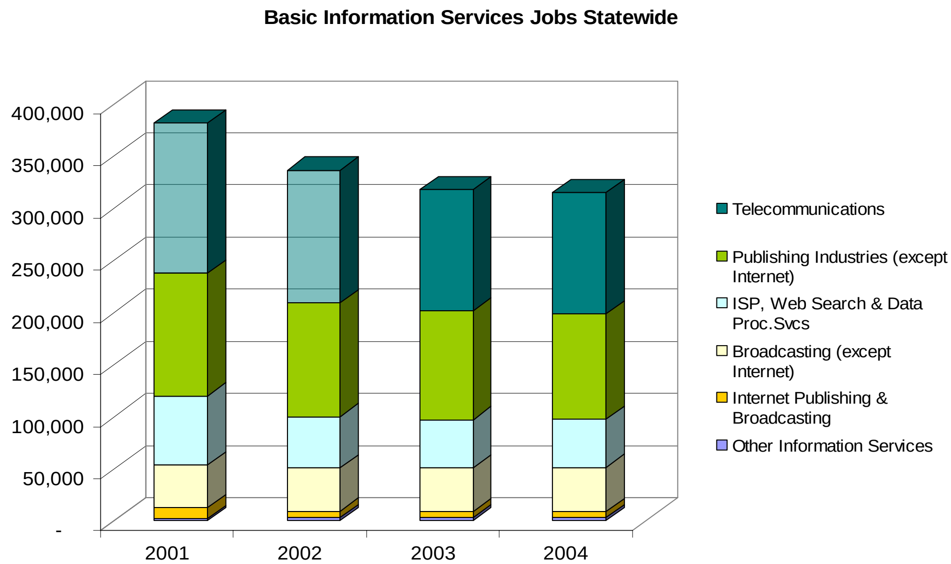
The following graph shows where the industry's jobs are in California:



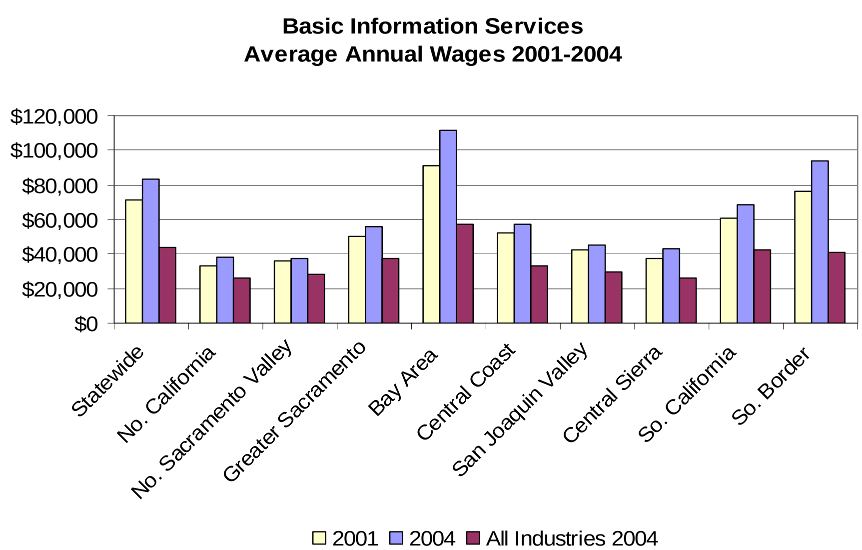
Basic Information Services

Basic Information Services includes the main sectors Broadcasting; Internet Publishing & Broadcasting; Telecommunications; Internet Service Providers, Web Search Portals & Data Processing; and, Other Information Services.

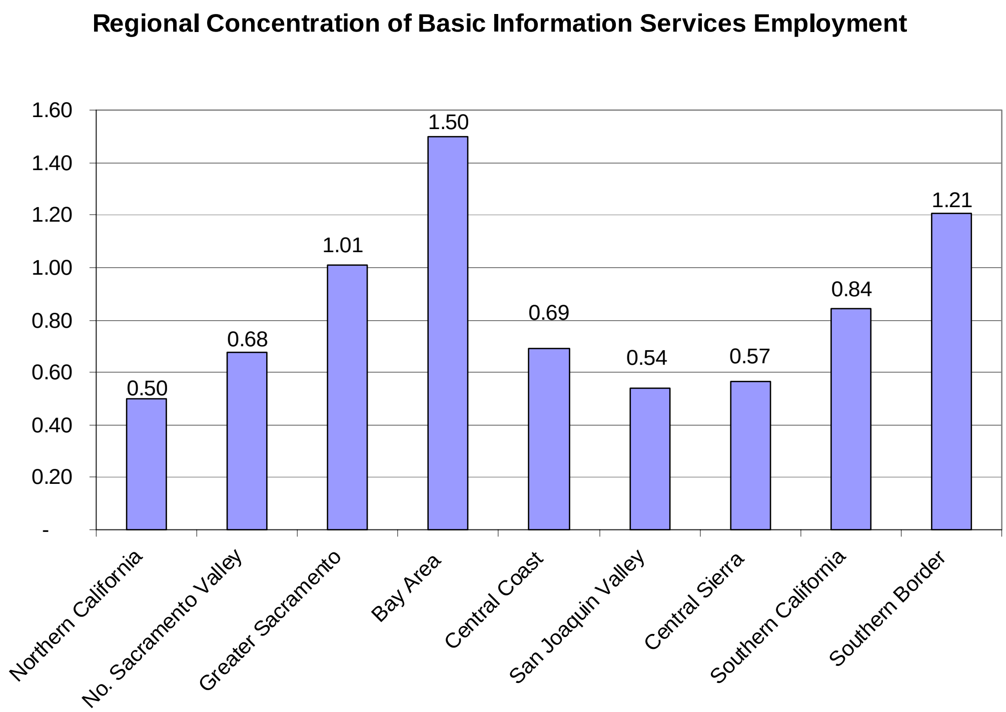
The Basic Information Services industry provided just over 2% of the state's economic base jobs in 2004, and 2% of all jobs in the state. For the period 2001 – 2004, the industry lost over 66,900 jobs, down 17.5% from 2001. Six of the nine regions reported job losses in this industry during this period; only the Northern Sacramento Valley Region, San Joaquin Valley Region and the Central Sierra Region reported job growth. Of the six main sectors, only two reported job growth during this time. These were Broadcasting and Other Information Services.



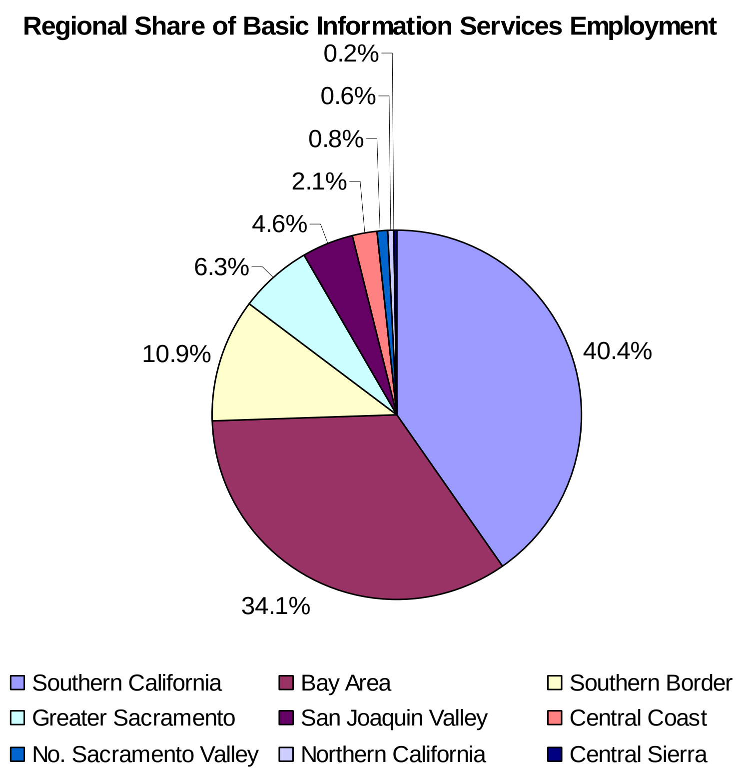
The industry's statewide average annual wage in 2004 was $83,197, up over 16% from the 2001 average of $71,647. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:



Three regions have higher concentrations of Basic Information Services jobs than the statewide level. The highest concentration is found in the Bay Area Region (1.5), followed by the Southern Border Region (1.21) and then the Greater Sacramento Region (1.01).



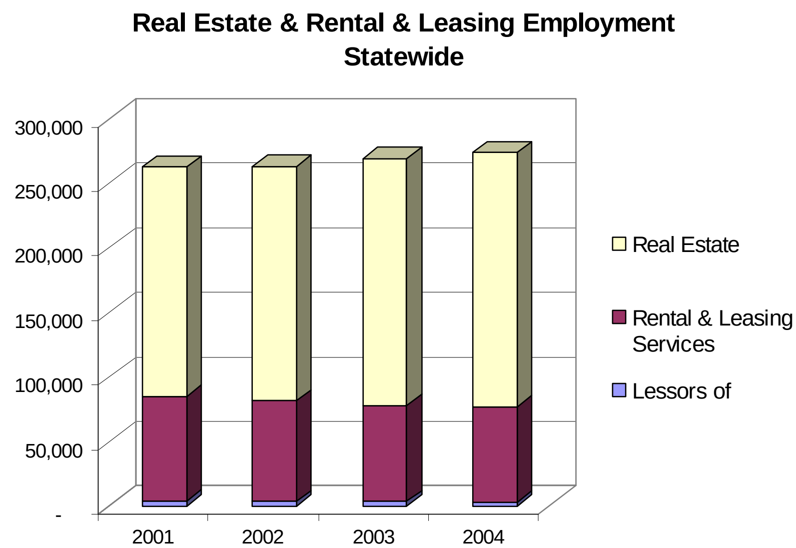
The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.



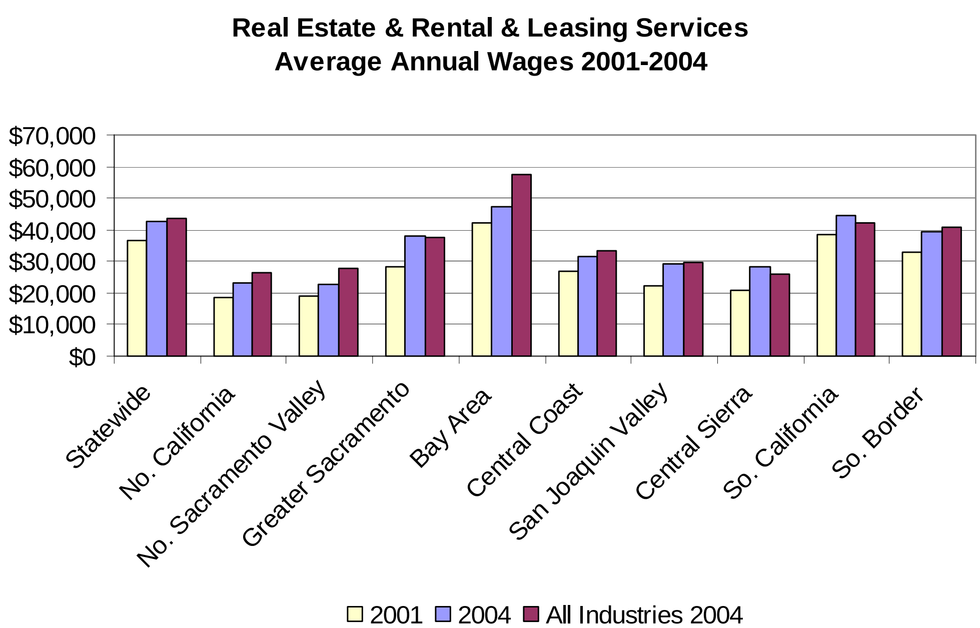
Real Estate & Rental & Leasing

The Real Estate & Rental & Leasing industry is the smallest component of the economic base. The industry provided about 2% of the jobs in the state's economic base in 2004, and about 2% of all jobs in the state.

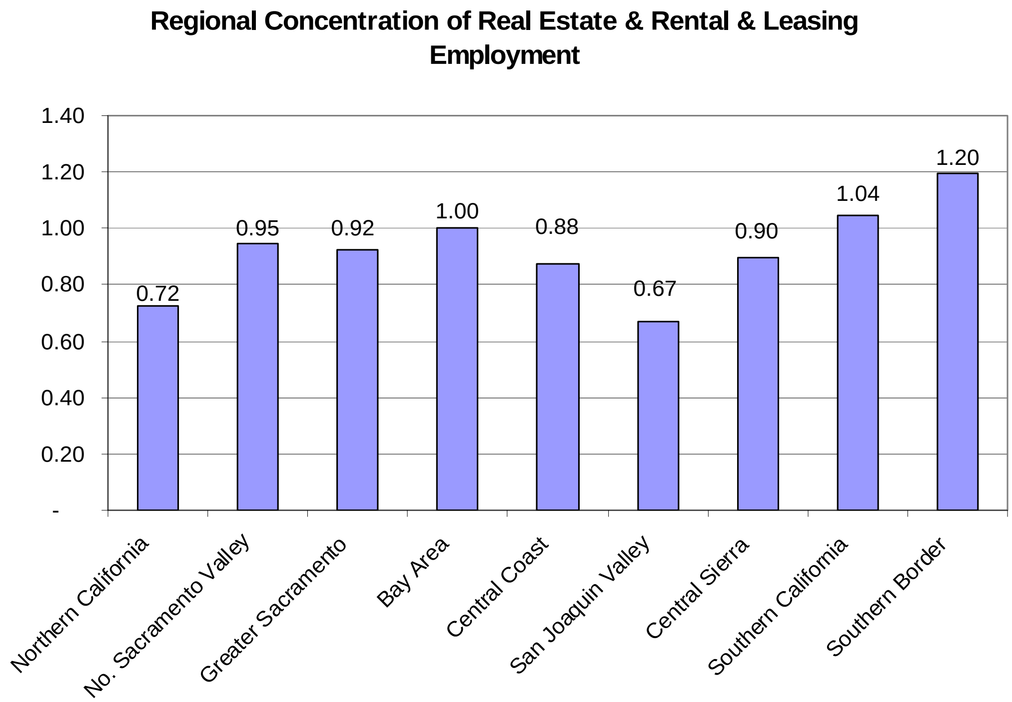
During the period 2001-2004, the industry reported overall growth of over 4%. The largest employing sector was Real Estate, which represented 72% of the industry's jobs in 2004; Rental & Leasing Services represented 27% of industry jobs, and Lessors of Nonfinancial Intangible Assets (except Copyrighted Works) represented just 1%.



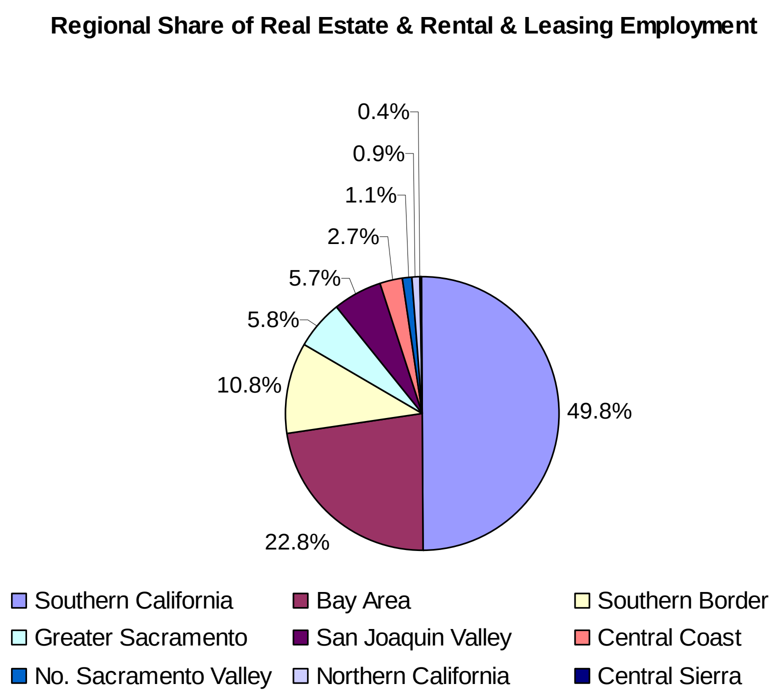
The industry's statewide average annual wage in 2004 was $42,461, up over 16% from the 2001 average of 36,528. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:



The highest concentration of the industry's jobs is found in the Southern Border Region.



The following graph shows where the industry's jobs are in California.



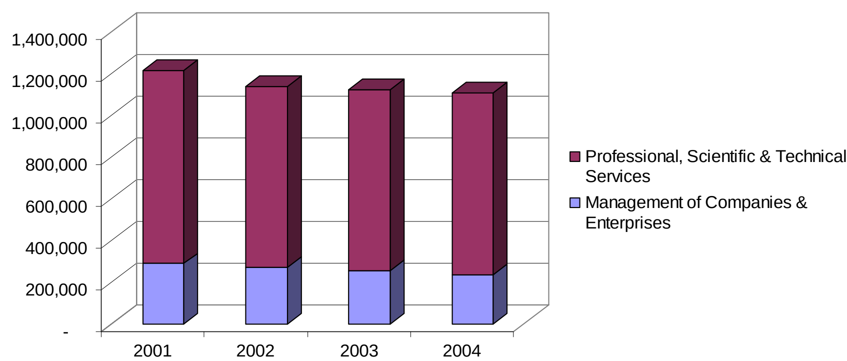
Professional, Scientific, Technical & Management Services

Professional, Scientific, Technical & Management Services combines two sectors; Professional, Scientific & Technical Services and Management of Companies & Enterprises.

The Management of Companies and Enterprises sector is a newer category introduced by the NAICS coding system. There appears to have been significant changes in the use of the NAICS codes within this sector since its introduction, where companies originally using this classification may no longer identify themselves in the sector. In some or many cases, they may be identifying themselves within the Professional, Scientific & Technical Services sector.

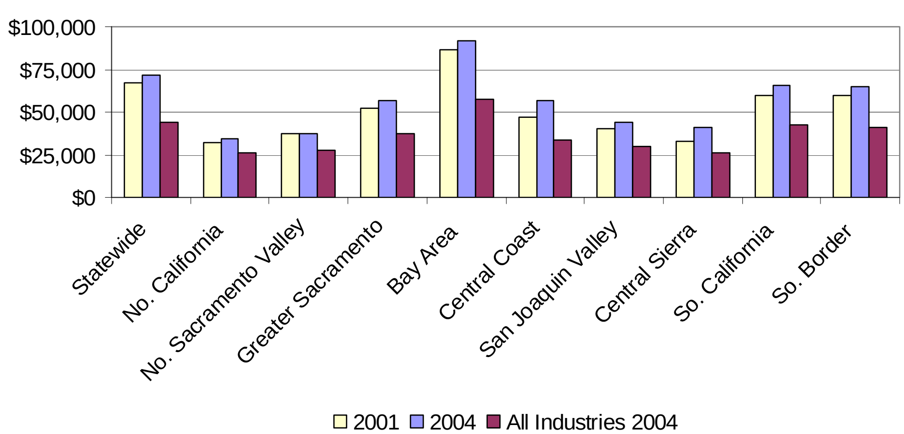
The Professional, Scientific, Technical & Management Services industry was the sixth largest component of California's economic base in 2004, providing almost 1,105,300 jobs; this represents almost 8% of the jobs in the economic base and 7.5% of all jobs in the state. Within this industry, the Professional, Scientific & Technical Services sector represented 79% of the industry's jobs in 2004, and Management of Companies & Enterprises represented 21%.

Professional, Scientific, Technical & Management Services
Employment Statewide



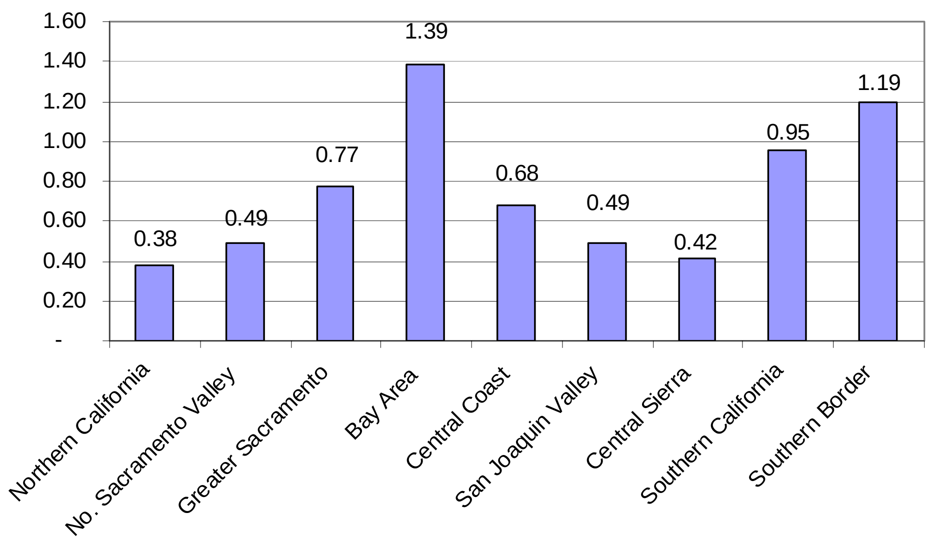
The industry's statewide average annual wage in 2004 was $71,904, up almost 7% from the 2001 average of $67,263. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

Professional, Scientific, Technical & Management Services
Average Annual Wages 2001-2004



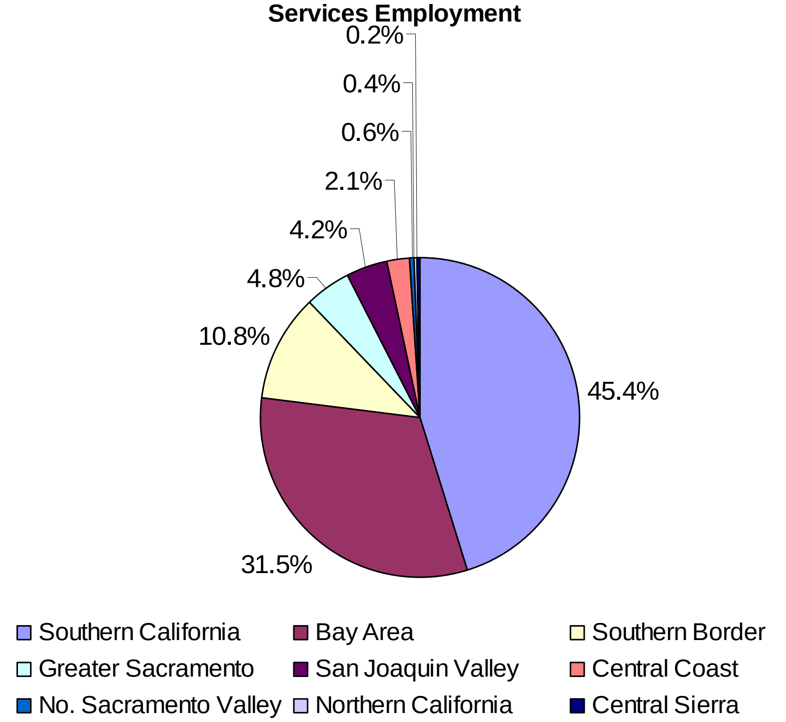
The region with the highest concentration of the industry's jobs is the Bay Area Region, followed by the Southern Border Region. Both of these regions have concentrations higher than the statewide level.

Regional Concentration of Professional, Scientific, Technical & Management Services Employment



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.

Regional Share of Professional, Scientific, Technical & Management Services Employment



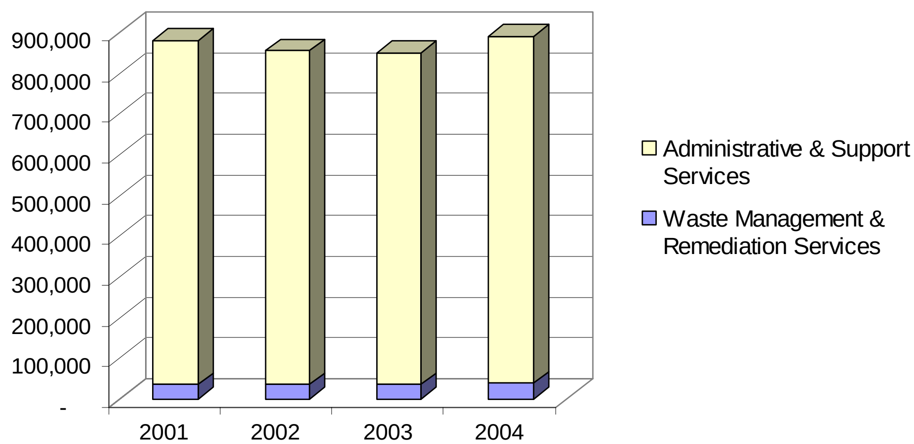
Administrative & Support & Waste Services

Administrative, Support & Waste Services includes the sectors Administrative & Support Services and Waste Management & Remediation Services. In 2004, this industry provided over 6% of all economic base jobs in California, and just over 6% of the state's total jobs.

From 2001 to 2004, job growth was reported of almost 9,500 jobs or about 1%, from over 880,900 jobs in 2001 to almost 890,400 jobs in 2004. During this period, jobs actually decreased through 2003, then grew in 2004.

Within the industry, both the Administrative & Support Services and the Waste Management & Remediation Services sectors reported overall job growth for the period.

Administrative & Support & Waste Services Employment Statewide



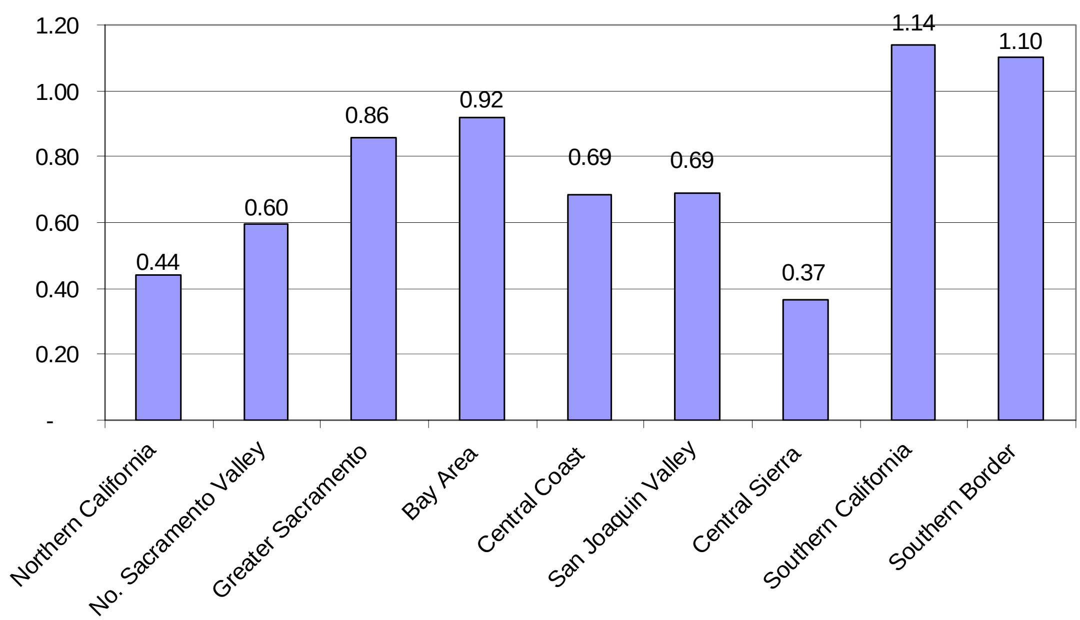
The largest sub-sector is Employment Services, followed by Services to Buildings & Dwellings and then Investigation & Security Services. The sub-sector reporting the highest percentage of job growth from 2001 to 2004 is Waste Collection, up 83%; this was followed by Office Administrative Services (up 33%) and Facilities Support Services (up 29%). The Travel Arrangement & Reservation Services sub-sector reported the highest percentage of job losses from 2001 to 2004, down 27%; this was followed by Waste Treatment & Disposal, down almost 22%.

The industry's statewide average annual wage in 2004 was $28,923, up almost 9% from the 2001 average of $26,600. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

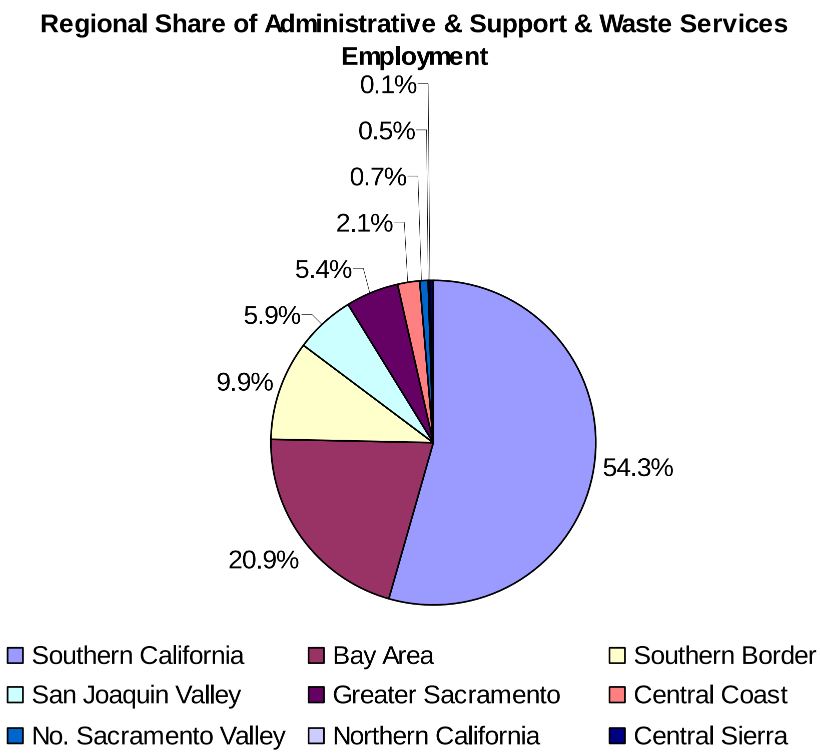
Administrative & Support & Waste Services
Average Annual Wages 2001-2004

The Southern California Region reported the highest concentration of industry jobs, followed by the Southern Border Region. All other regions had concentrations less that of the state as a whole.

Regional Concentration of Administrative & Support & Waste Services Employment



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.



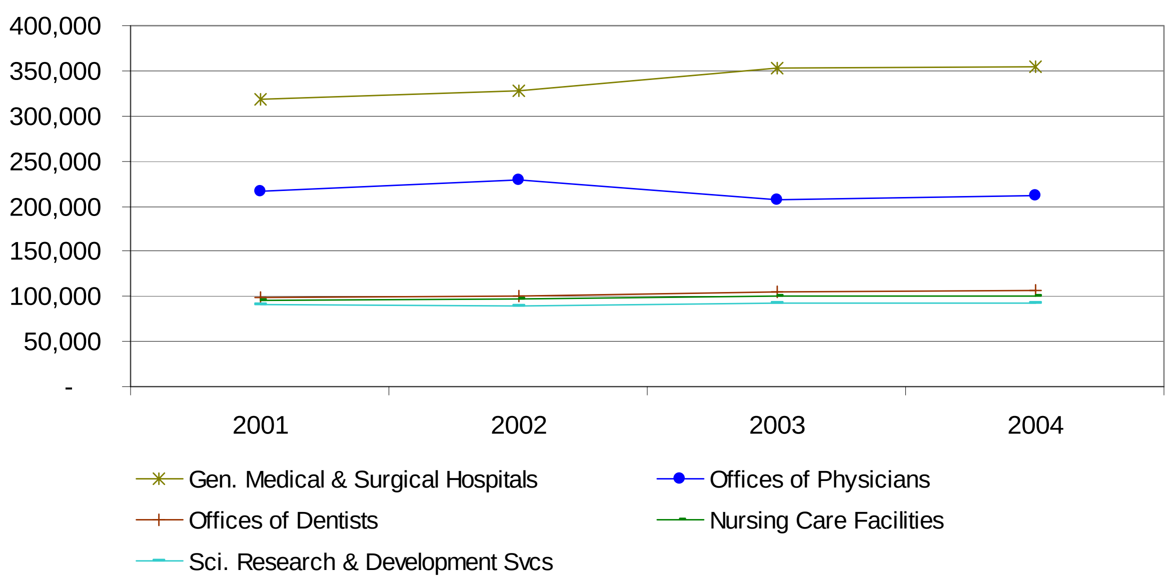
Health Sciences & Services

The Health Sciences & Services cluster includes health care services, such as offices of physicians, dentists, other health practitioners and other outpatient care facilities; hospitals; laboratories; home health care; nursing care and other residential care facilities. It also includes community, emergency and other relief services; vocational rehabilitation services; and, death care services. Within health sciences, the cluster includes pharmaceutical and medicine manufacturing; medical equipment and supplies manufacturing; and, scientific research and development (R&D) services.

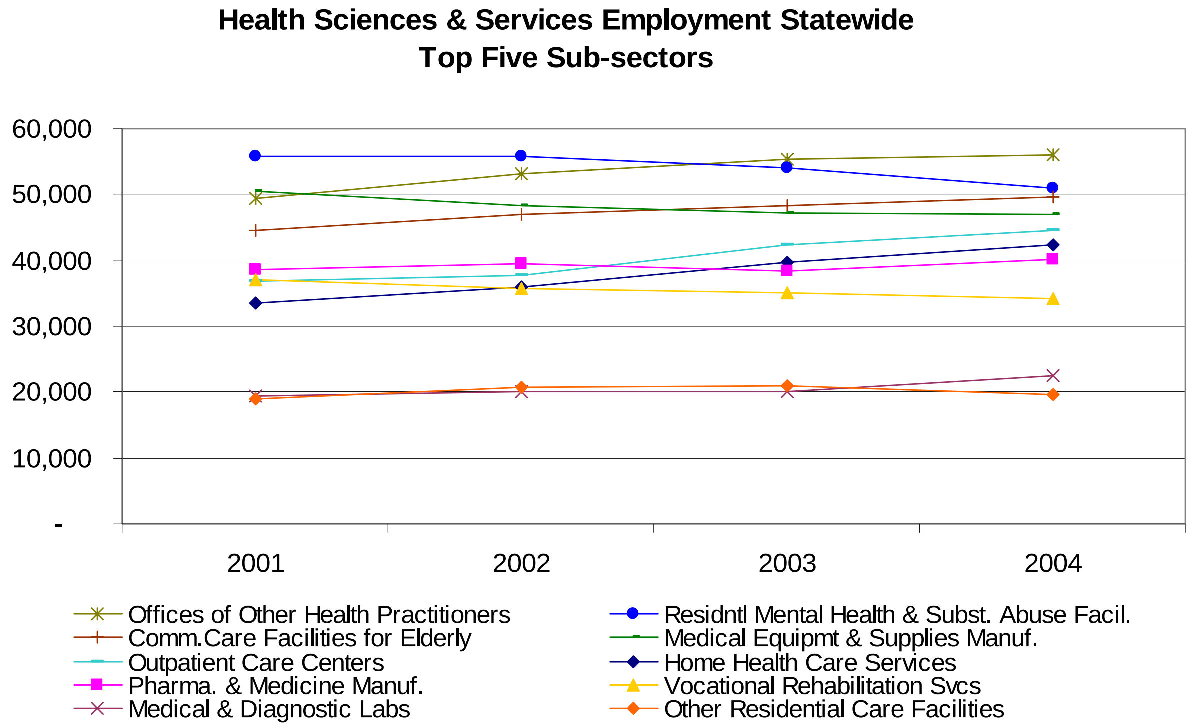
In 2004, the Health Sciences & Services cluster was the fifth largest component of California's economic base, providing over 1,331,500 jobs – over 9% of the economic base jobs, and 9% of all jobs in the state. During this period, the cluster grew steadily, from 1,258,800 jobs in 2001 to over 1,331,500 jobs in 2004 – a gain of over 72,700 jobs or almost 6%.

Within the cluster, the General Medical & Surgical Hospitals sub-sector provides the most jobs, with over 354,000 jobs in 2004; this was an increase of almost 36,400 jobs, or over 11%. The second largest sub-sector was Offices of Physicians, reporting over 212,300 jobs in 2004, but experiencing losses of 4,600 jobs, or 2%. Third, the Offices of Dentists sub-sector reported almost 106,900 jobs and 9% growth. These were followed by Nursing Care Facilities, with over 100,600 jobs (up 5%); and, Scientific Research & Development Services, with over 92,500 jobs (up almost 2%).

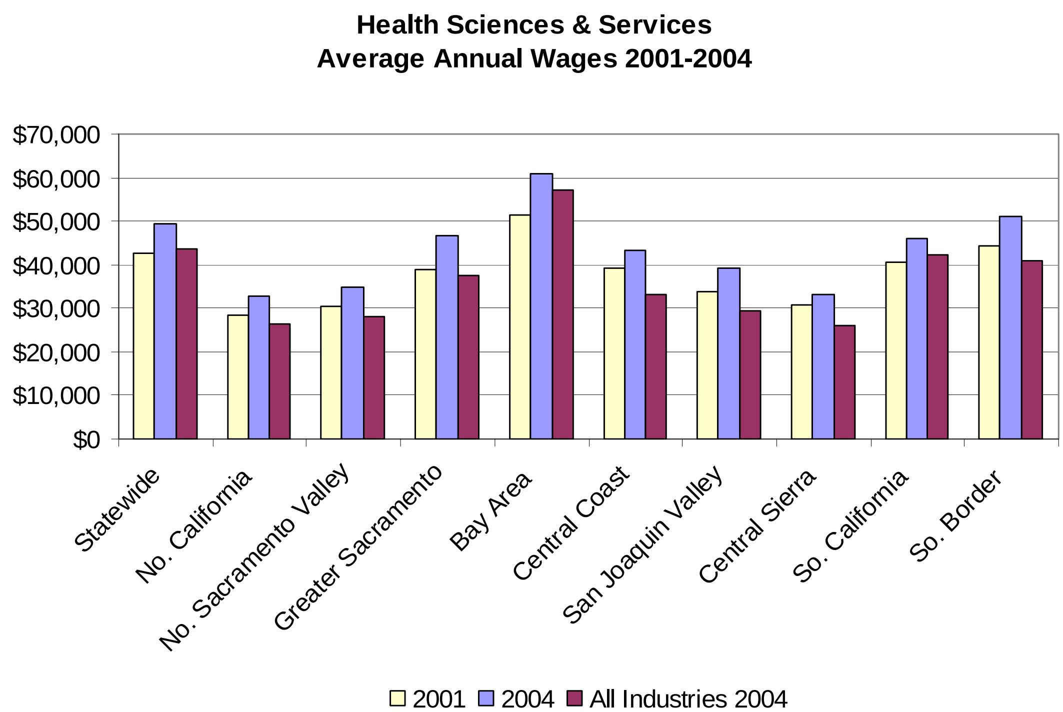
Health Sciences & Services Employment Statewide
Top Five Sub-sectors



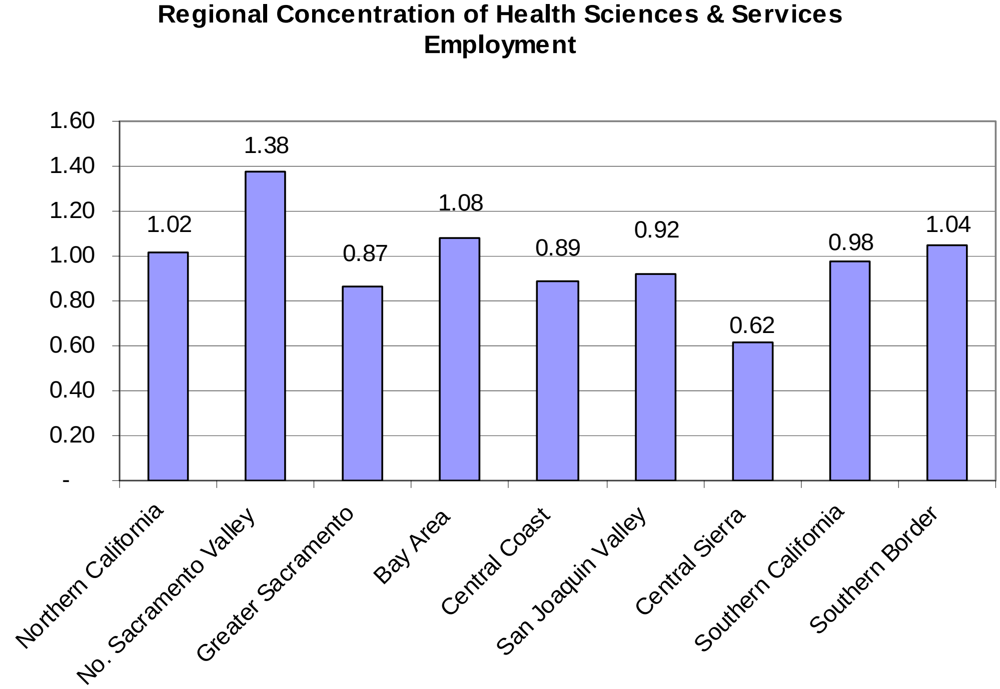
The following graph shows the employment change from 2001-2004 for the next ten largest sub-sectors:



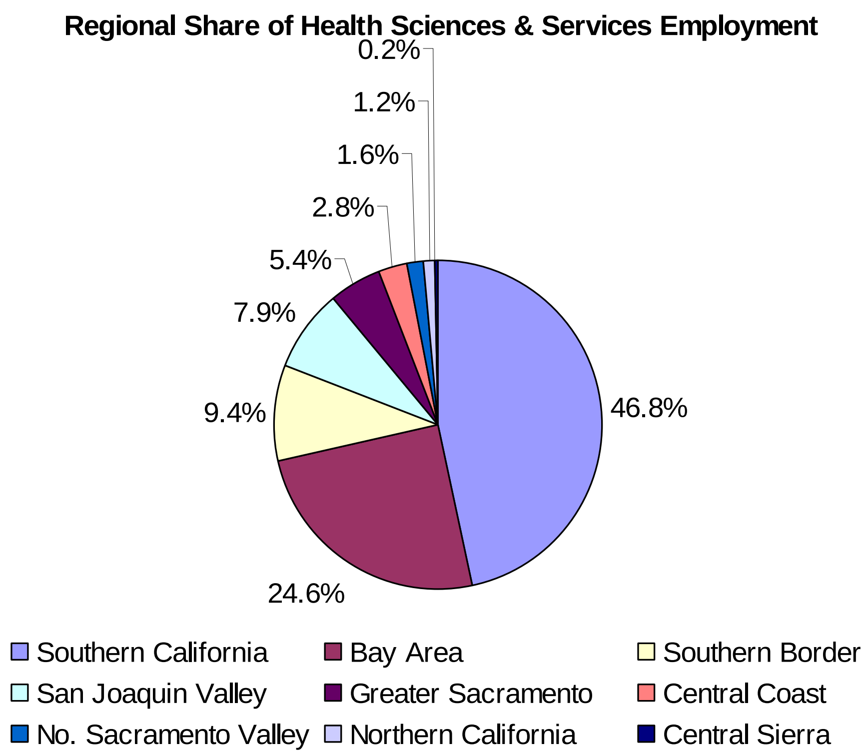
The cluster's statewide average annual wage in 2004 was $49,205, up over 15% from the 2001 average of $42,664. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:



The Northern Sacramento Valley Region has the highest concentration of Health Sciences & Services jobs, with the majority of those jobs being in Health Services.



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.



Entertainment & Tourism

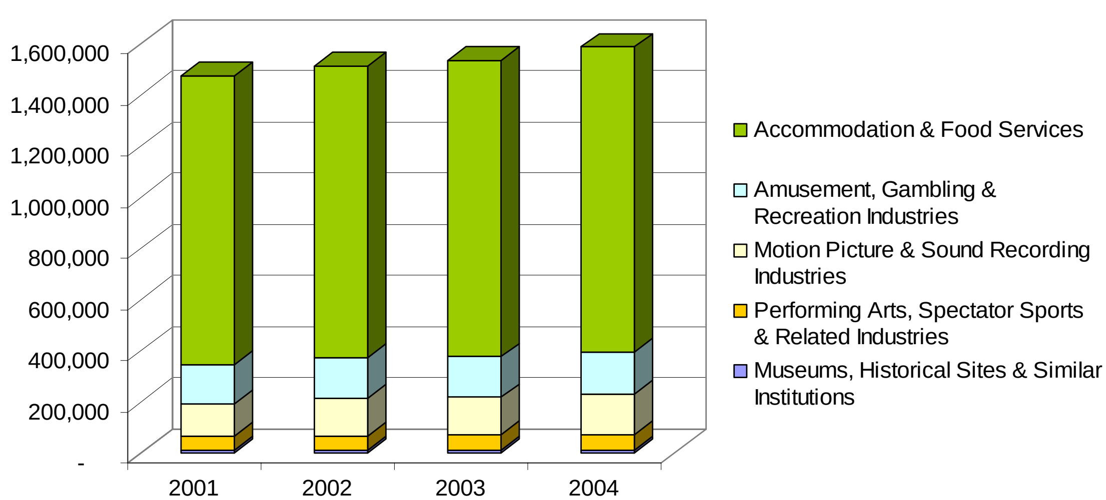
For the purpose of the statewide analysis, the Entertainment & Tourism industry combines Accommodation & Food Services with Arts, Entertainment & Recreation, and also includes Motion Picture & Sound Recording Industries. In the regional analyses, this composition varies from urban to rural regions. Food Services is not included for the urban regions, but is included for the rural regions; Motion Picture & Sound Recording Industries is only included for the urban regions.

The Entertainment & Tourism industry is the fourth largest component of California's economic base. The industry provides 10% of the economic base jobs, and almost 10% of all jobs in the state.

From 2001 to 2004, Entertainment & Tourism jobs grew from almost 1,348,400 jobs in 2001 to over 1,425,700 jobs in 2004; an increase of almost 77,400 jobs or almost 6%. All five major sectors within the industry reported job growth from 2001-2004.

The largest sector, Accommodation & Food Services, also added the most jobs, growing by over 65,500 jobs from 2001-2004, or almost 6%. The sector reporting the highest percentage of job growth was Motion Picture & Sound Recording Industries, up over 29% during the period.

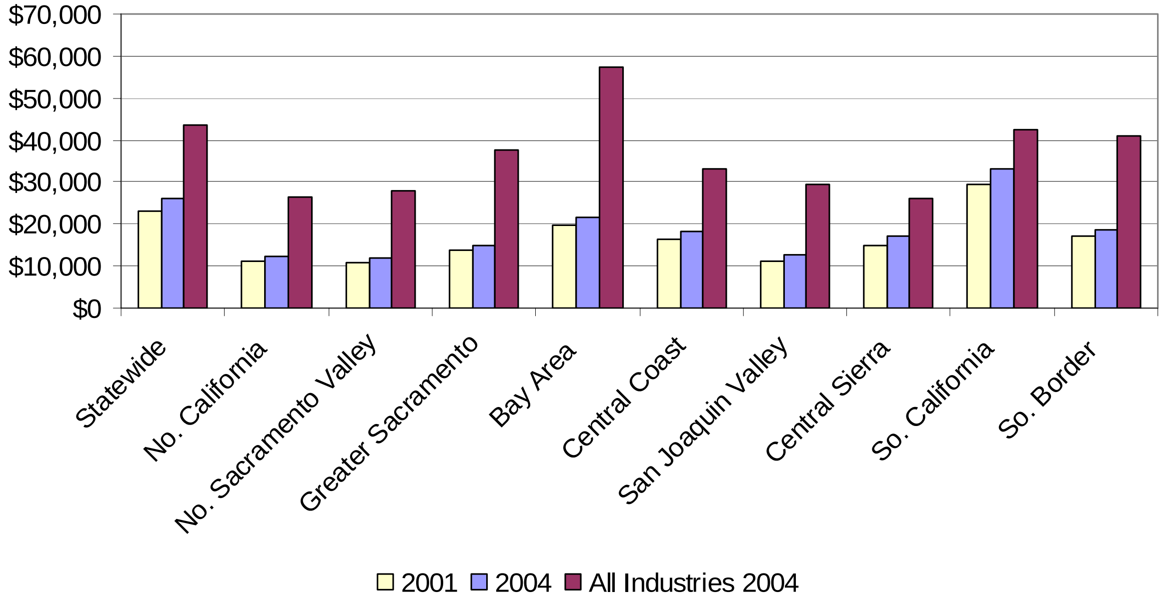
Entertainment & Tourism Employment Statewide



It should be noted that Indian Gaming is not included in the Amusement, Gambling & Recreation Industries, but instead is reported under Local Government (non-education).

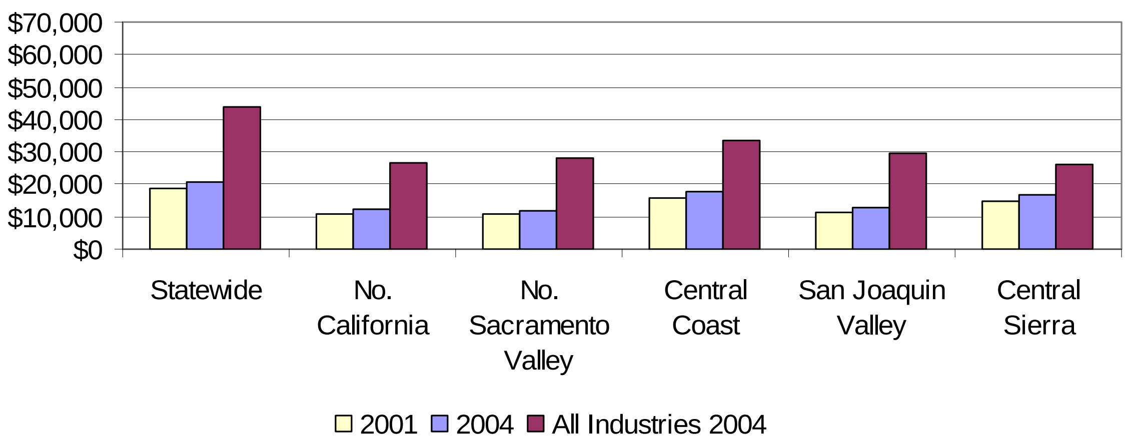
The industry's statewide average annual wage in 2004 was $26,163, up over 13% from the 2001 average of $23,129. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

Entertainment & Tourism (Statewide Definition)
Average Annual Wages 2001-2004

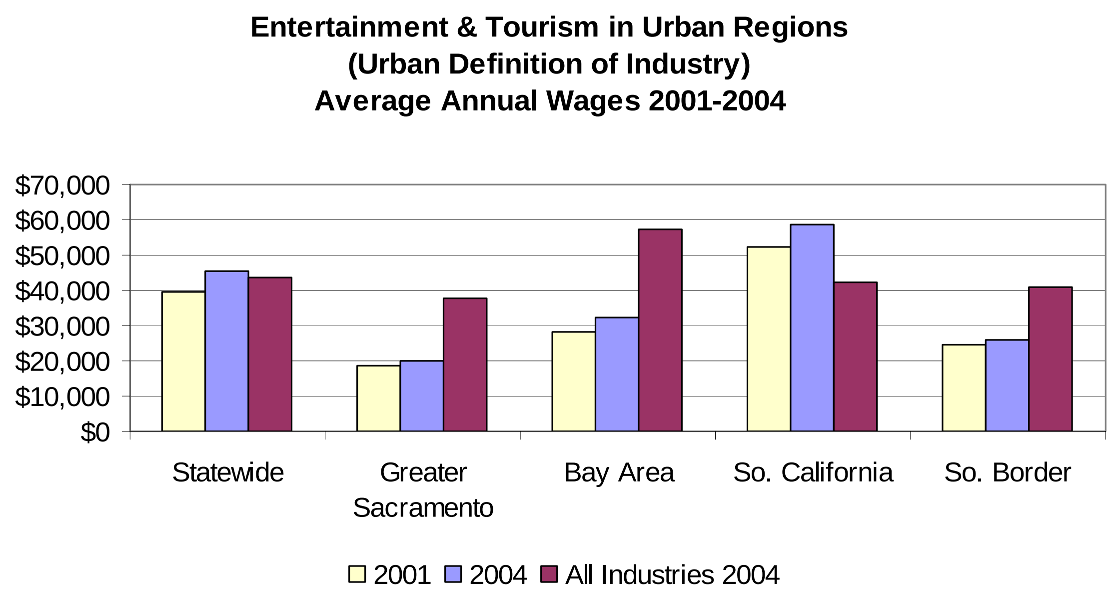


The next graph shows the data just for the rural regions, and uses the rural definition of Entertainment & Tourism (Arts, Entertainment & Recreation combined with Accommodation & Food Services – no Motion Picture & Sound Recording Industries):

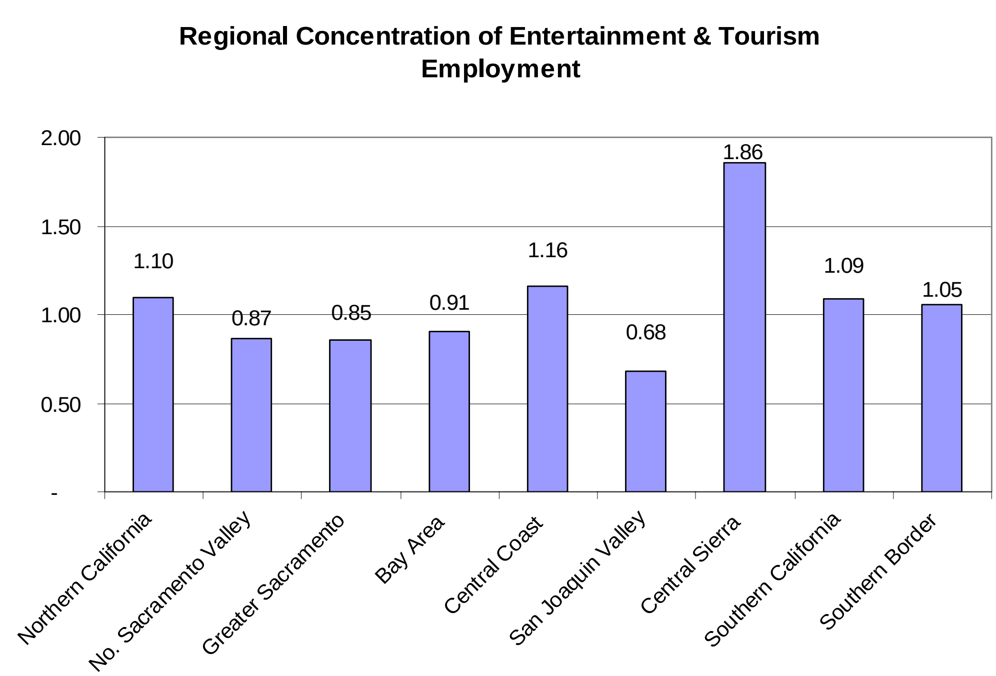
Entertainment & Tourism in Rural Regions
(Rural Definition of Industry)
Average Annual Wages 2001-2004



For the urban regions, using the urban definition of Entertainment & Tourism (Arts, Entertainment & Recreation combined with Accommodation and Motion Picture & Sound Recording Industries – no Food Services), the results look like the following:

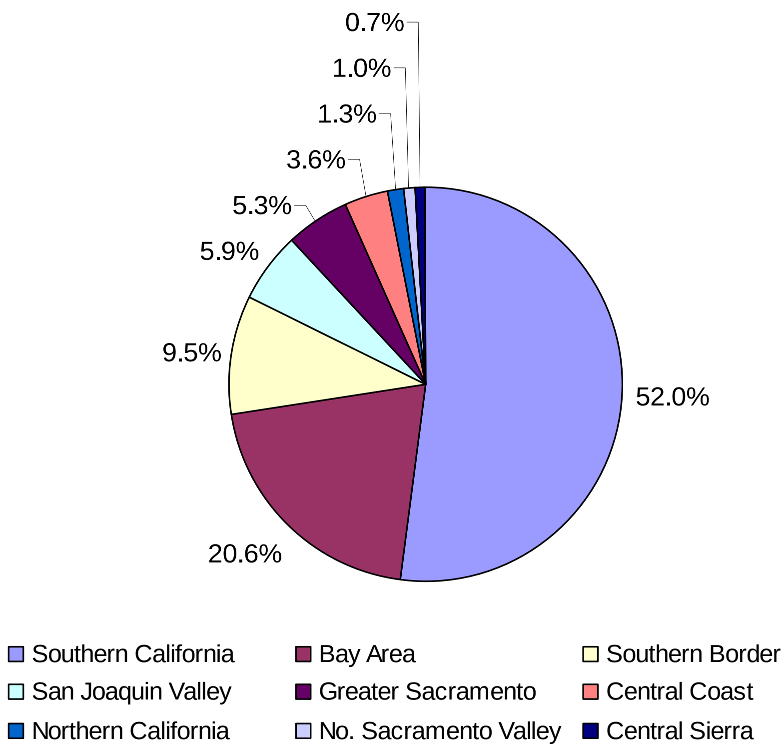


The region with the highest concentration of Entertainment & Tourism jobs is the Central Sierra Region, followed by the Central Coast, Northern California and the Southern California Regions. The San Joaquin Valley Region has the lowest concentration of the industry's jobs.



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.

Regional Share of Entertainment & Tourism Employment

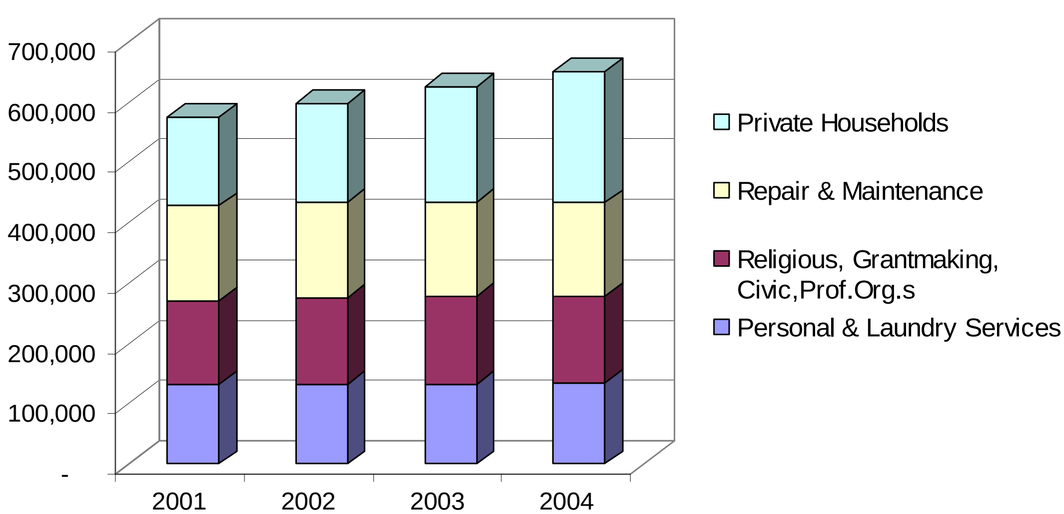


Other Services

The Other Services industry includes a variety of services, such as automotive repair and maintenance, religious and civic organizations, personal care services and professional organizations; it does not include public administration. Other Services provides almost 5% of California's economic base jobs and over 4% of all jobs in the state.

From 2001 to 2004, Other Services employment grew steadily, from almost 574,500 jobs in 2001 to over 650,500 jobs in 2004, an increase of over 13%. Private Households led employment, followed by Repair & Maintenance. Three of the four sectors reported growth from 2001-2004; only Repair & Maintenance experienced job losses during this period.

Other Services Employment Statewide

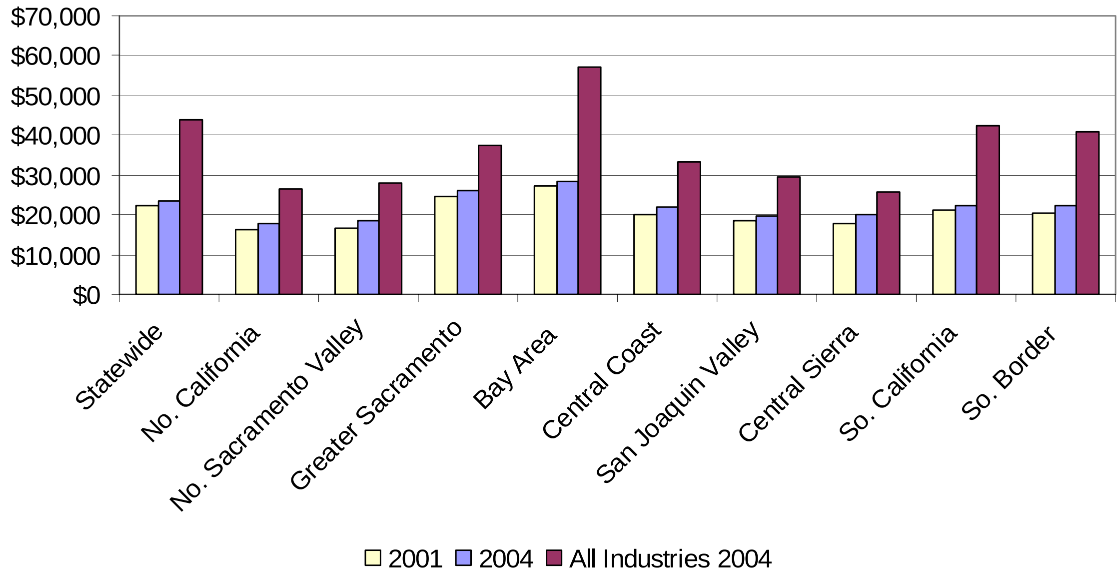


The largest sub-sector is Private Households, which reported almost 217,500 jobs in 2004, and growth of almost 49% from 2001-2004. Private Households includes two types of domestic employers; those individuals hiring nannies, babysitters and housekeepers; and, those in need of in-home support services. Of the two, the greatest employment increases are seen in the in-home support services, according to LMID's Employment and Payroll Group.

The second largest sub-sector, Automotive Repair & Maintenance, reported over 118,900 jobs, but experienced slight losses (down 1.3%). Third, Personal Care Services reported almost 51,200 jobs and growth of almost 10%. Business, Professional, Labor, Political & Similar Organizations was the fourth largest sub-sector, reporting almost 40,000 jobs and growth of 6%.

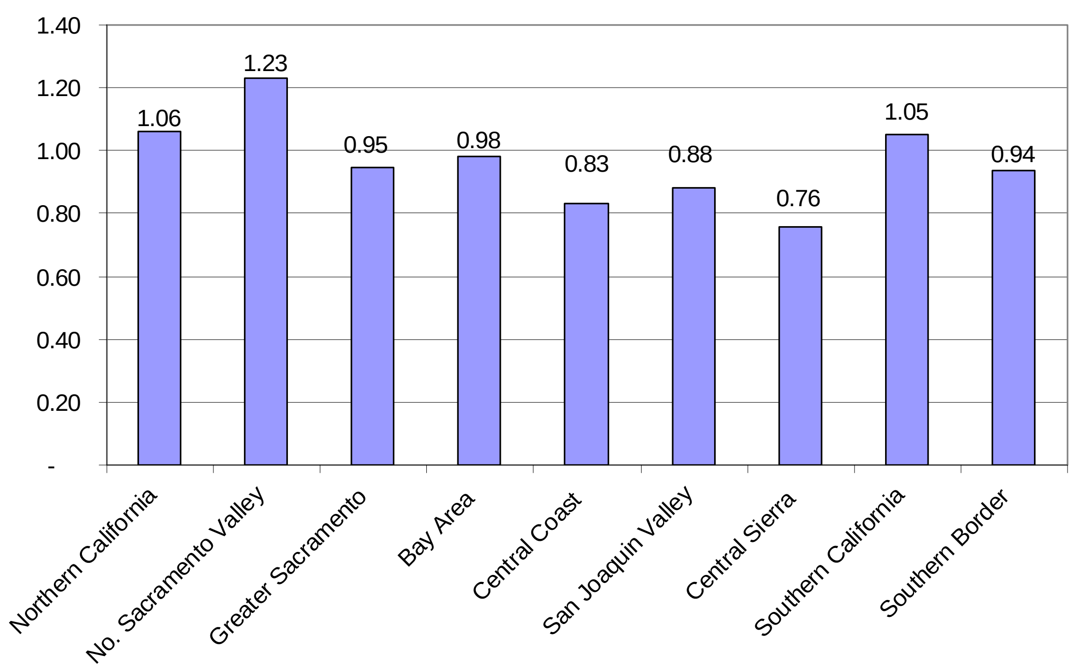
The industry's statewide average annual wage in 2004 was $23,542, up over 5% from the 2001 average of $22,358. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

Other Services
Average Annual Wages 2001-2004



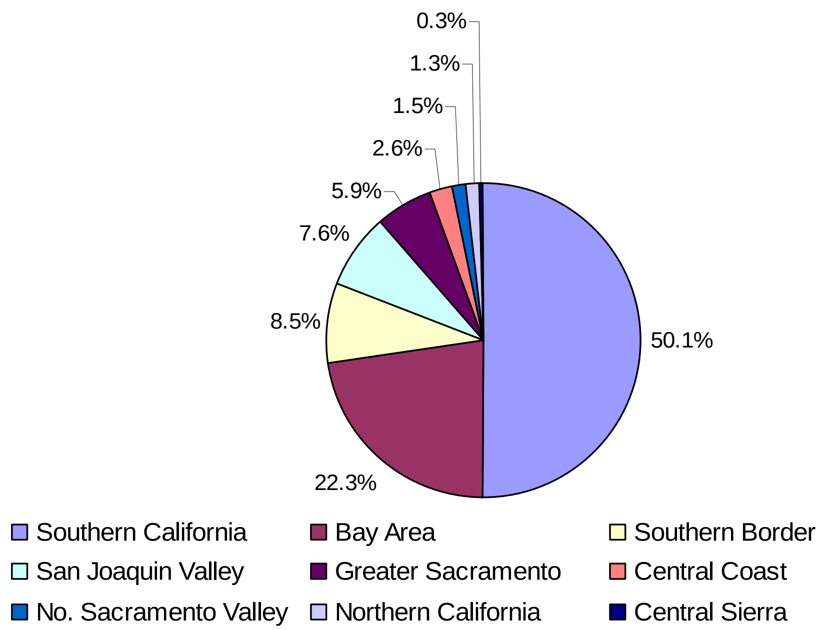
The highest concentration of industry employment is found in the Northern Sacramento Valley Region, followed by the Northern California Region and the Southern California Region. All other regions had concentrations less than the statewide level.

Regional Concentration of Other Services Employment



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.

Regional Share of Other Services Employment



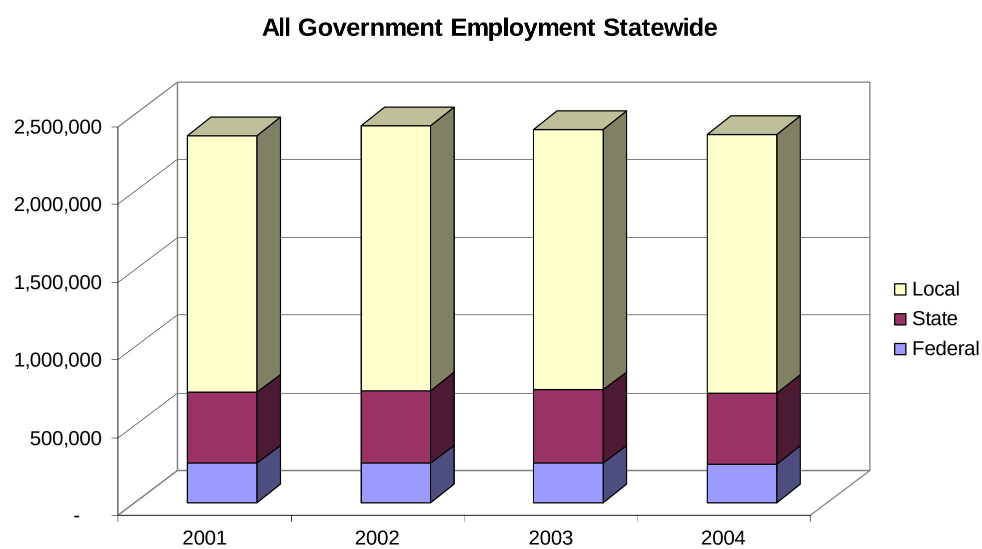
All Government

All Government includes federal, state and local government jobs. When discussing this industry, public service jobs are often the first to come to mind; however, the industry also includes state and local public education, federal defense, law enforcement and firefighting jobs, as well as the public service jobs. For the purpose of this report, All Government is treated as a single industry, when in fact it includes jobs in a number of industry classifications.

The All Government industry provides the most jobs of all industries and clusters in the state's economic base, representing almost 17% of California's economic base jobs and 16% of all jobs in the state. While economic development and workforce development priorities and policies do not focus on this industry, it is important for workforce practitioners, educators and other stakeholders to understand the role that the industry plays in providing jobs locally.

From 2001 to 2004, All Government grew slightly, with an overall increase of 9,500 jobs for the period; job growth peaked in 2002, and then declined slightly through 2004 (up 0.4%).

In 2004, Local Government represented over 70% of All Government jobs; State Government represented almost 20%, and Federal Government represented 10%.

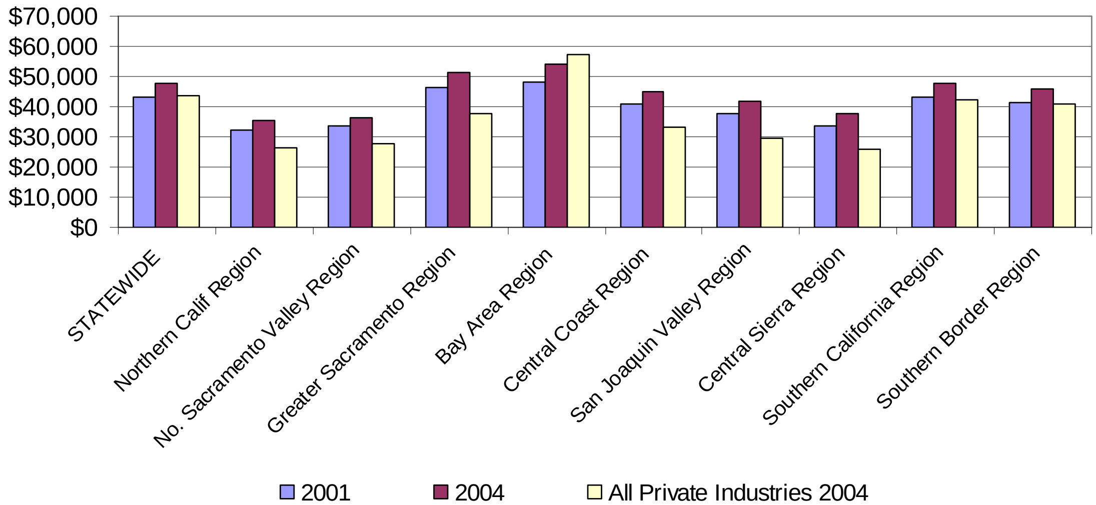


From 2001 to 2004, Local Government jobs grew by less than 1% (0.8%), State Government jobs remained about the same (up just 0.1%) and Federal Government decreased by 2%.

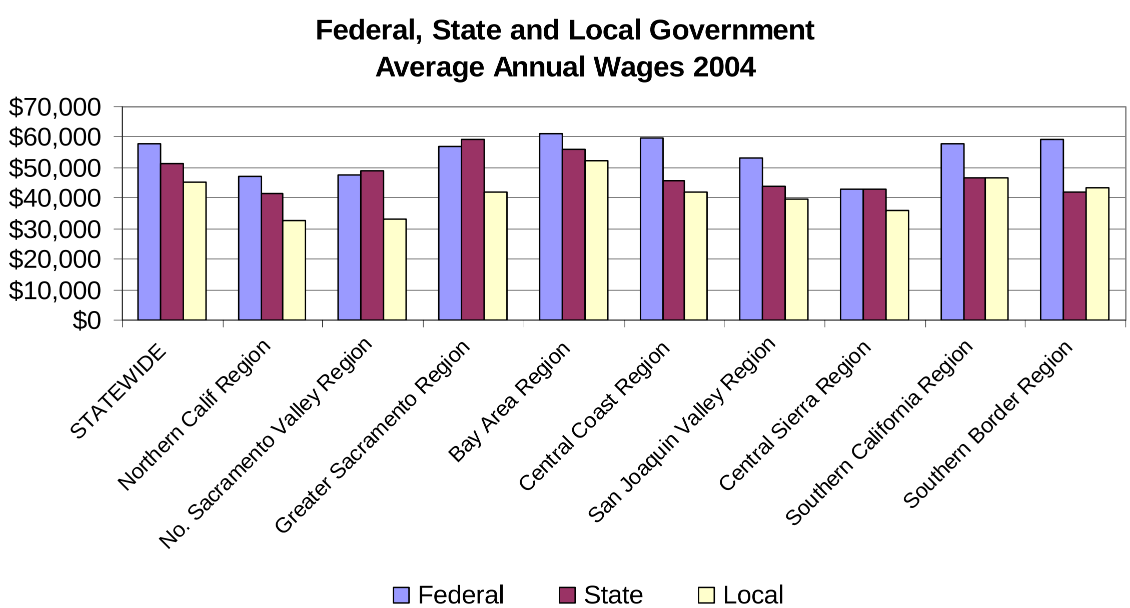
Wage information was not available for the government sector from the data source used for government employment data presented in this report; however, government sector wage information is available through the federal Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW) online data. That source was used for obtaining the wage data presented below.

All Government average annual wages include the wages for a broad spectrum of jobs, including executive branch, judicial, defense, law enforcement, firefighting, education and other public administration jobs.

For the period 2001-2004, the industry's statewide average annual wage in 2004 was $47,835, up 10.6% from the 2001 average of $43,237. The following chart compares the average annual wage across regions, and compares this to each region's average annual wage for all industries:

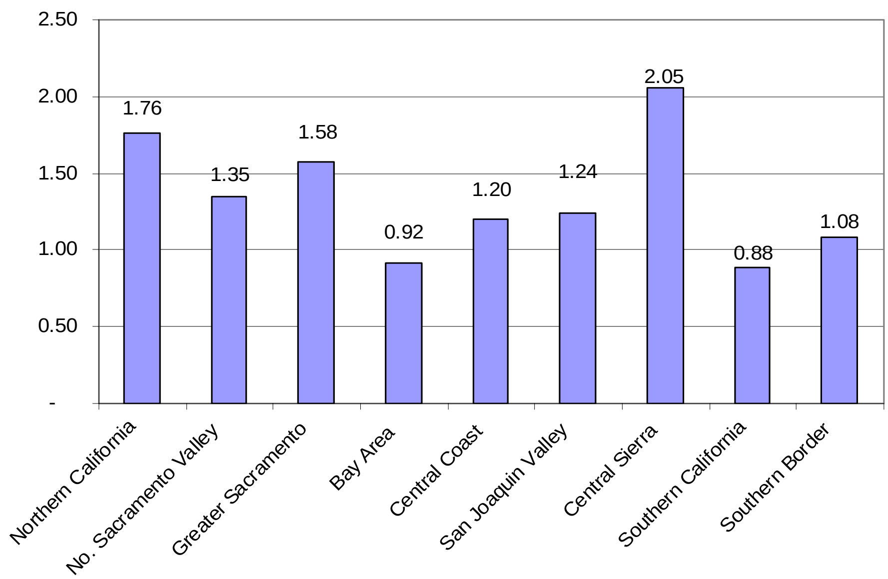


The Federal Government sector's average annual wage in 2004 was $57,832, up 16% from the 2001 average of $49,840. The State Government sector's average annual wage in 2004 was $51,308, up 7.8% from the 2001 average of $47,602. The Local Government sector's average annual wage in 2004 was $45,423, up 9.8% from the 2001 average of $41,382. The graph below compares the average annual wage in 2004 for each level of government, across regions and statewide:



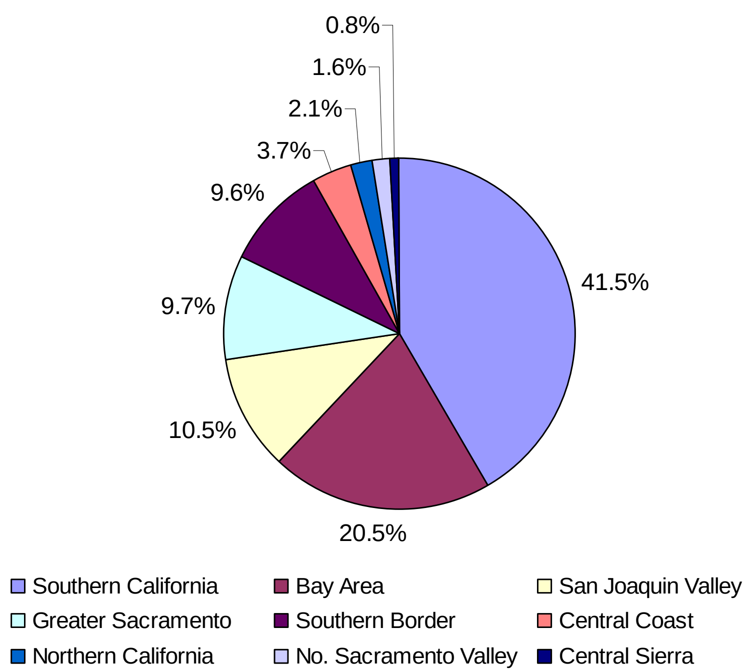
The Central Sierra Region has the highest concentration of government jobs, followed by the Northern California Region and the Greater Sacramento Region. For the Central Sierra and Northern California Regions, Local Government represents over 72% of the industry's jobs, slightly higher than the statewide percentage. The Greater Sacramento Region has a high concentration of State Government jobs, with the State Capitol and State agencies' headquarters located within the region.

Regional Concentration of All Government Employment



The following graph shows where the industry's jobs are in California, although it does not take the regional concentrations into account.

Regional Share of All Government Employment



THE REGIONAL COMPOSITIONS AT-A-GLANCE

When making public policy, establishing laws and taking other actions that affect the economy, it is important to remember that each region is unique in its industry composition, so those actions will have a varying degree of impact on the regional economies. A particular industry or cluster may be critical to one region while not being as significant to another; only some industries and clusters are of importance to all of the regions. This is why, as seen in past recessions, some regions are harder hit than others by such actions. For example, during the recent recession, the Bay Area Region was hardest hit due to the losses in the technology-based industries; the recession was "centered" in the Bay Area Region. The region bore great job losses, while many of the other regions actually reported job growth during the recession period.

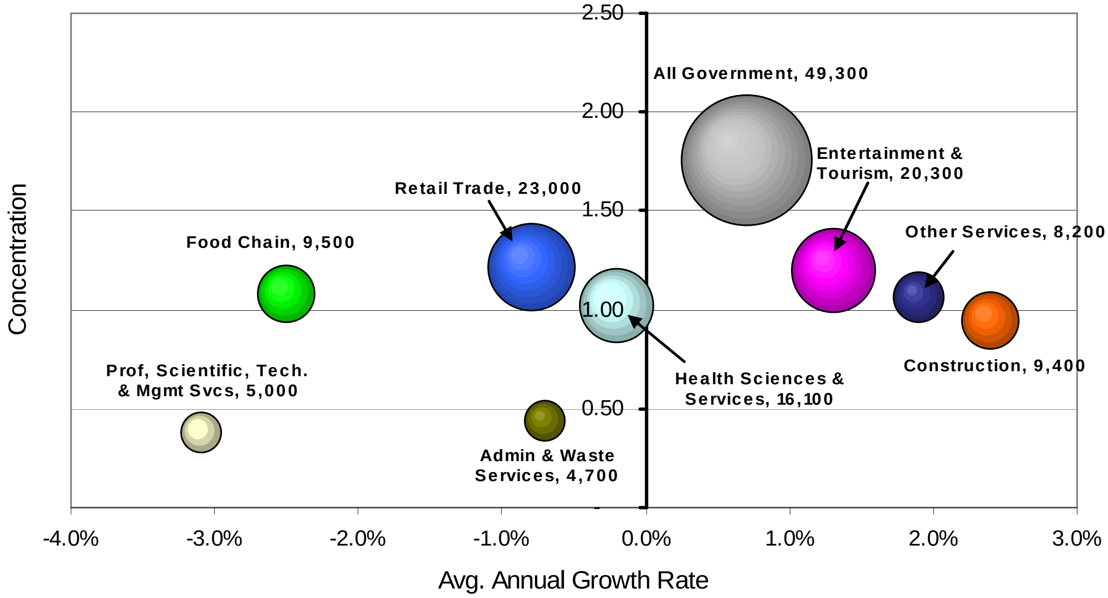
In addition to the regional share of the state's total jobs for an industry or cluster, another key factor when determining the potential regional impact is the share of the region's total jobs that the targeted industry provides. Without taking this into consideration, the full regional impact of change in a particular industry may be masked, especially if that region is relatively small.

The following charts provide information on each region's economic base composition at-a-glance through the use of bubble charts. Refer to the Addenda for a detailed analysis of each region.

Interpreting the charts:

- Bubble size: The size of the bubble represents the employment size of the industry in the region (number of jobs).
- Horizontal placement of bubble: The position from left to right indicates the employment change – to the left of zero means job losses, and to the right means job growth. The net change is graphed as a percentage.
- Vertical placement of bubble: The vertical position indicates the concentration of the industry in the region; the higher the bubble, the greater the concentration. A concentration greater than 1.0 means the region has a higher concentration of jobs in that industry than is found statewide. Industries highly concentrated in a region are important to the region, even if they are not the largest in employment size.
- Bubble color: The color representing a particular industry or cluster remains constant throughout all of the regional charts.

Northern California Region Economic Base
2001-2004



Highlights from the Northern California Region:

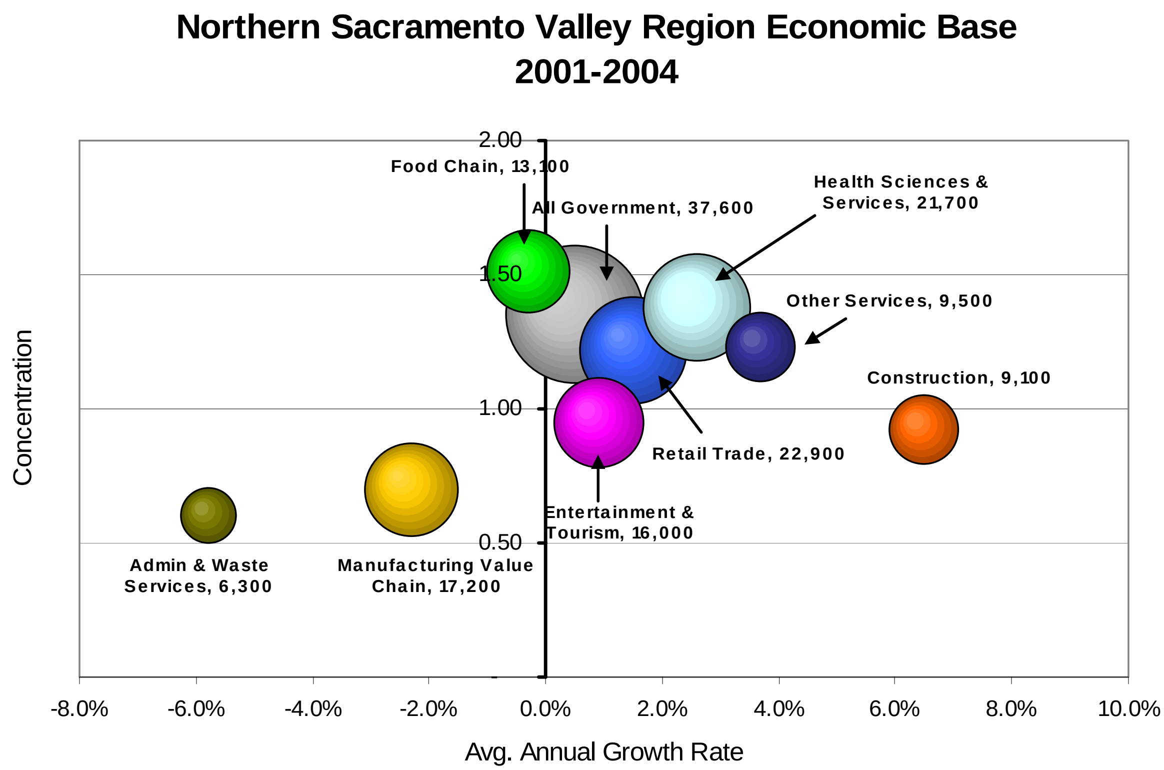
- All Government provides a significant number of jobs for the region; employment grew from 2001 to 2004; and, there is a higher concentration of All Government jobs in this region than is found statewide.

- Entertainment & Tourism and Retail Trade also provide a high percentage of the region's jobs, and both are found in higher concentration in the region than statewide; however, Retail Trade experienced job losses from 2001 to 2004, while Entertainment & Tourism reported job growth.

- Construction is the fastest growing industry in the economic base, but it does not provide a large percentage of the region's jobs. The percentage of jobs provided by the industry is slightly less than the percentage of jobs provided by the industry at the statewide level.

- Health Sciences & Services provides about the same percentage of jobs regionally as it does statewide. The industry provides a significant percentage of the region's jobs, but experienced slight job losses from 2001 to 2004.

Professional, Scientific, Technical & Management Services experienced the greatest job losses from 2001 to 2004 of all industries and clusters in the economic base. One of the smallest components of the economic base, the industry provides a smaller percentage of the region's jobs than it does statewide.



Highlights from the Northern Sacramento Valley Region:

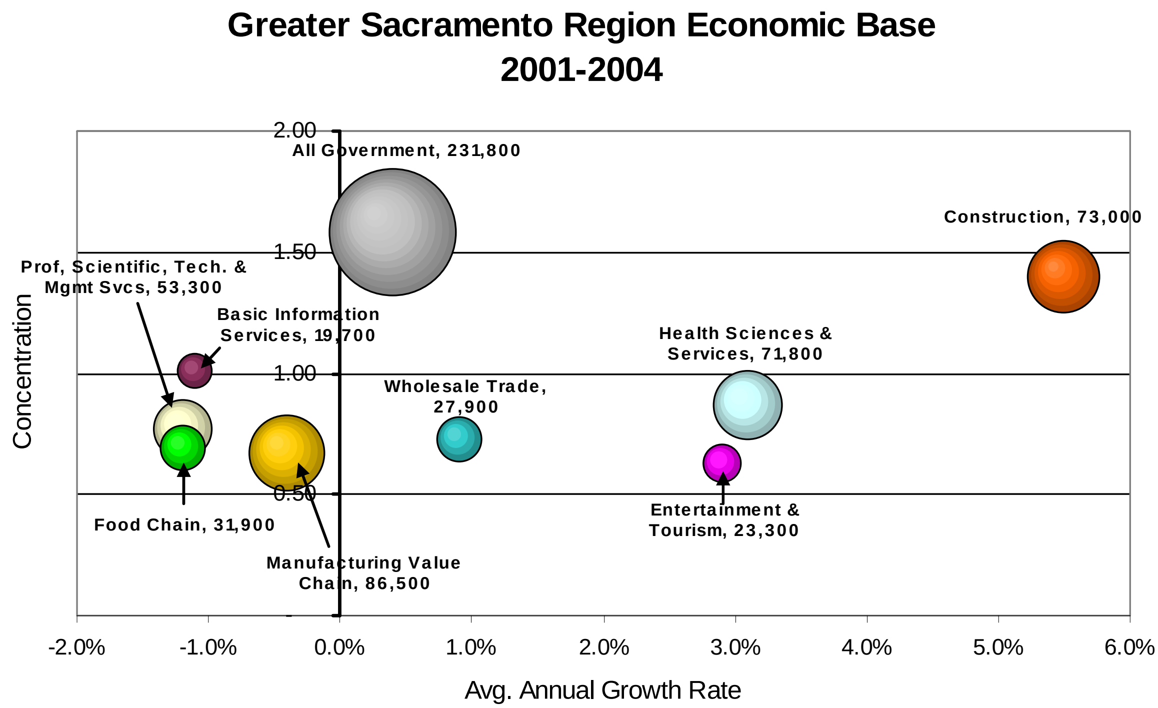
- All Government provides a significant number of jobs for the region; employment grew slightly from 2001 to 2004; and, there is a higher concentration of All Government jobs in this region than is found statewide.

- Health Sciences & Services and Retail Trade also provide a high percentage of the region's jobs, both are found in higher concentration in the region than statewide, and both reported job growth from 2001 to 2004.

- Construction is the fastest growing industry in the economic base, but it does not provide a large percentage of the region's jobs. The industry is not as concentrated in the region as it is at the statewide level.

- The Food Chain cluster has a higher concentration level in the region than statewide, although it experienced slight job losses from 2001 to 2004.

- The Manufacturing Value Chain is the fourth largest component of the economic base, but experienced job losses from 2001 to 2004. The industry provides a smaller percentage of the region's jobs than it does at the statewide level.



Highlights from the Greater Sacramento Region:

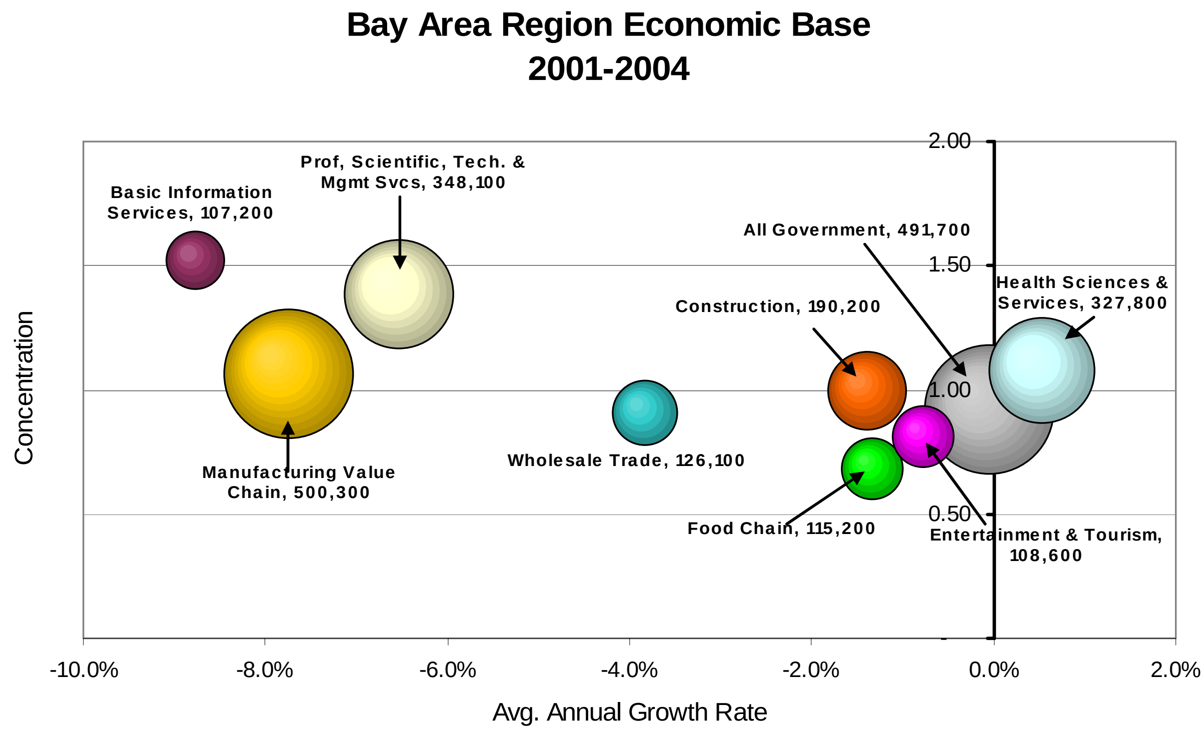
- All Government provides a significant number of jobs for the region; employment grew slightly from 2001 to 2004; and, there is a very high concentration of All Government jobs in this region compared to the state as a whole.

- Construction is the fastest growing industry in the economic base, and the third largest component of the economic base. The industry has a higher concentration level in the region than statewide.

- Health Sciences & Services reported the second highest growth rate during the period of 2001 to 2004, and is the fourth largest component in the economic base based on employment size. The cluster is not as concentrated in the region as at the statewide level.

- The Manufacturing Value Chain is the second largest component of the economic base, but experienced job losses from 2001 to 2004. The industry has a lower concentration level in the region than statewide.

- Professional, Scientific, Technical & Management Services is the sixth largest component of the economic base, but experienced job losses from 2001 to 2004. The industry has a lower concentration level in the region than statewide.



Highlights from the Bay Area Region:

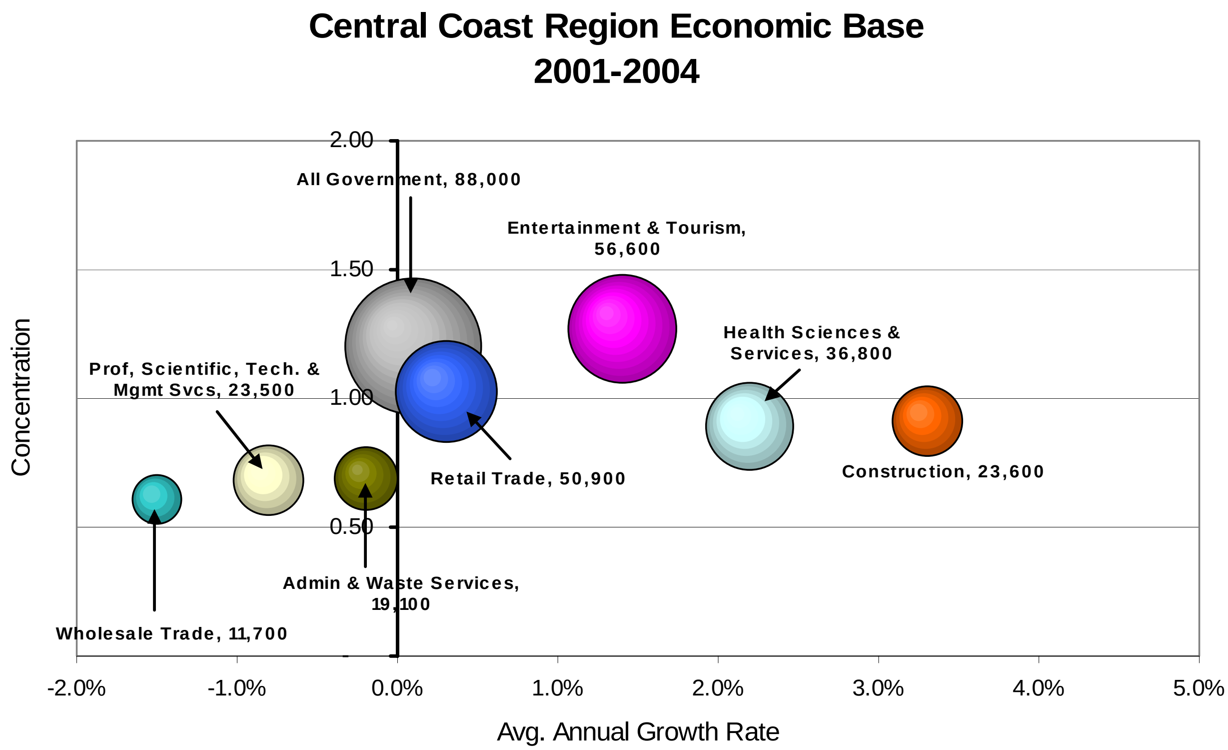
- The Bay Area Region was hardest hit in terms of job losses during the recent recession and initial recovery period of 2001 to 2004. All but one component of the region's economic base reported job losses.

- Health Sciences & Services is the fourth largest component of the economic base, and was the only industry/cluster to report job growth from 2001 to 2004. The industry has a higher concentration level in the region than statewide.

- Basic Information Services and Professional, Scientific, Technical & Management Services report the highest concentrations of jobs in the region – higher than at the statewide level; however, they also reported some of the highest rates of job losses.

- The largest component of the economic base, the Manufacturing Value Chain reported significant job losses from 2001 to 2004. The industry has a slightly higher concentration level in the region than statewide.

- All Government is the second largest industry in the economic base, and experienced minimal job losses from 2001 to 2004. The industry has a slightly lower concentration level in the region than statewide.



Highlights from the Central Coast Region:

- All Government is the largest component of the region's economic base, and reported very modest job growth from 2001 to 2004. There is a higher concentration of All Government jobs in this region compared to the state as a whole.

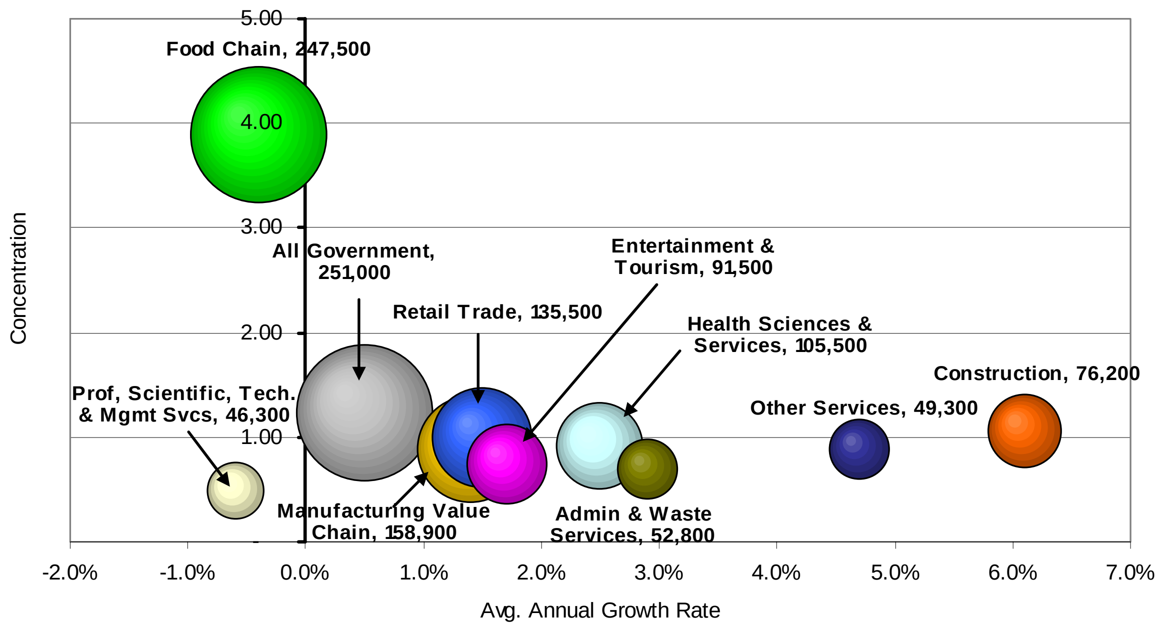
- Entertainment & Tourism also provides a high percentage of the region's jobs, second only to All Government, and reported job growth from 2001 to 2004. The industry has a high concentration of jobs in the region, compared to the statewide level.

- Construction is the fastest growing industry in the economic base, although it has a lower concentration level in the region than statewide. It is the fifth largest component of the economic base, based on employment size.

- Health Sciences & Services reported the second highest growth rate during the period of 2001 to 2004, and is the fourth largest component in the economic base based on employment size. The cluster is not as concentrated in the region as at the statewide level.

- Retail Trade is the third largest industry in the economic base, and reported some job growth from 2001 to 2004. The industry's concentration in the region is only slightly higher than at the statewide level.

San Joaquin Valley Region Economic Base 2001-2004



Highlights from the San Joaquin Valley Region:

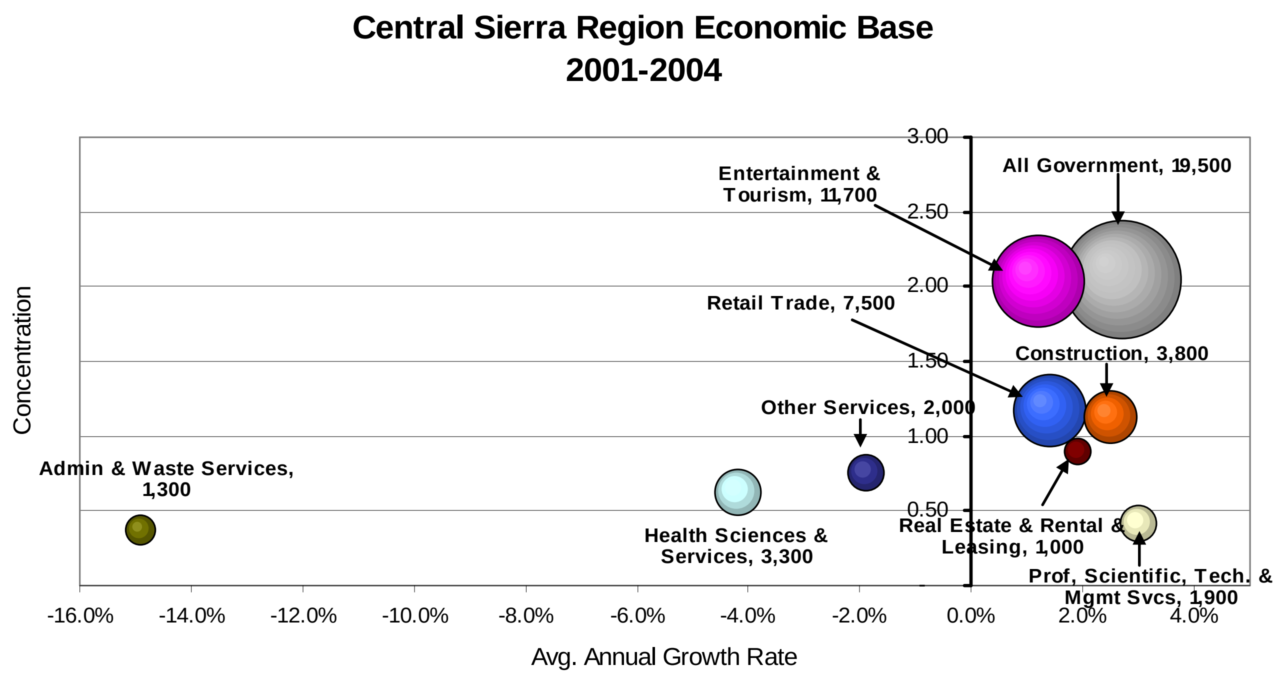
- Food Chain cluster jobs are very highly concentrated in the region. The Food Chain cluster is the second largest component of the economic base, and the largest private industry component, although it reported slight job losses from 2001 to 2004.

- All Government is the largest component of the economic base and reported modest job growth from 2001 to 2004. The industry's concentration in the region is slightly higher than at the statewide level.

- All but two industries/clusters reported job growth from 2001 to 2004, and several reported very high rates of growth. Only the Food Chain cluster and Professional, Scientific, Technical & Management Services reported job losses.

- Construction is the fastest growing industry in the economic base, although it is one of the smaller components of the economic base. The industry's concentration in the region is slightly higher than at the statewide level.

- Other Services reported the second highest growth rate, followed by Administrative & Support & Waste Services and Health Sciences & Services. All three industries have slightly lower concentrations in the region than at the statewide level.



Highlights from the Central Sierra Region:

- All Government is the largest component of the economic base and reported the highest rate of job growth from 2001 to 2004. The industry's concentration in the region is significantly higher than at the statewide level.

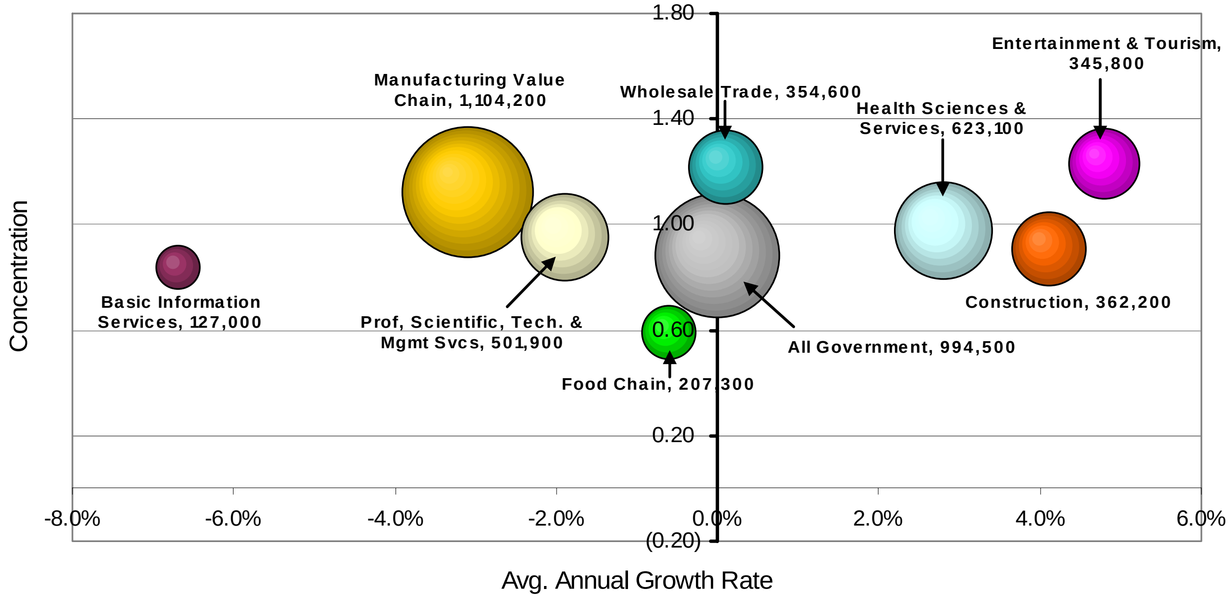
- Entertainment & Tourism also provides a high percentage of the region's jobs, second only to All Government, and reported job growth from 2001 to 2004. The industry's concentration in the region is significantly higher than at the statewide level.

- Professional, Scientific, Technical & Management, Construction and Real Estate & Rental & Leasing all reported strong growth rates from 2001 to 2004; of these, only Construction has a higher concentration of jobs at the regional level than is found statewide.

- Retail Trade is the third largest component of the region's economic base and reported job growth from 2001 to 2004. The industry's concentration in the region is higher than at the statewide level.

- Administrative & Support & Waste Services reported a very high job loss rate from 2001 to 2004, although the second smallest component of the region's economic base. The industry's concentration in the region is significantly lower than at the statewide level.

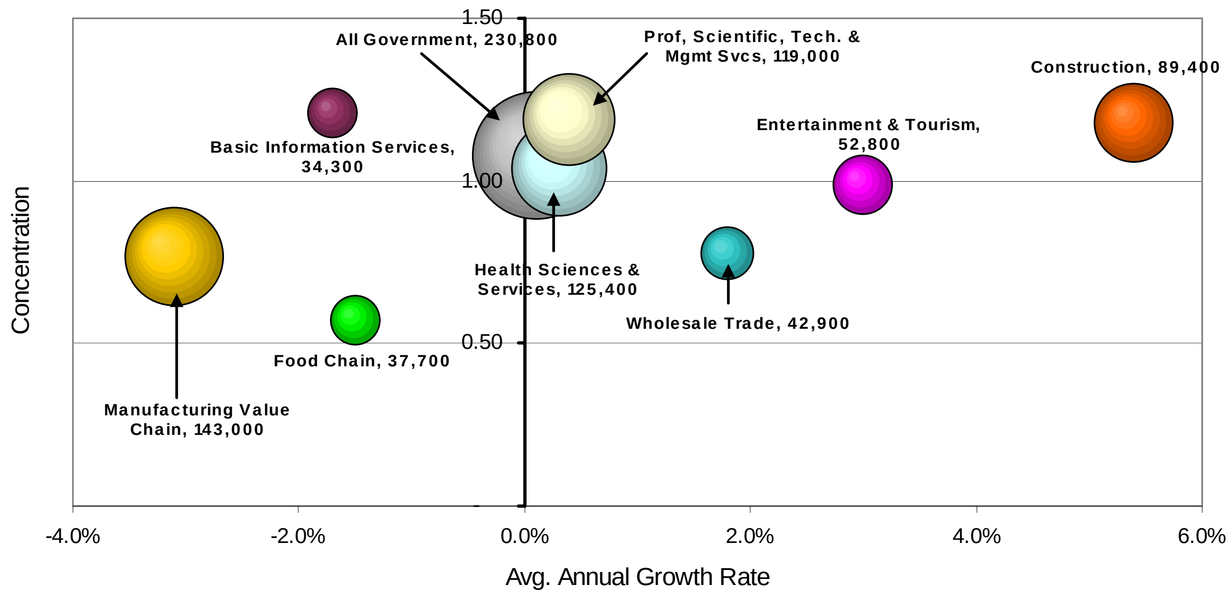
Southern California Region Economic Base 2001-2004



Highlights from the Southern California Region:

- The Manufacturing Value Chain cluster is the largest component in the region's economic base and has a higher concentration of jobs at the regional level than at the statewide level. The cluster reported the second highest rate of job losses from 2001 to 2004 of all industries and clusters in the economic base.
- Entertainment & Tourism reported the strongest job growth from 2001 to 2004, followed by Construction and Health Sciences & Services.
- Along with the Manufacturing Value Chain, Entertainment & Tourism and Wholesale Trade also have higher concentrations in the region than at the statewide level.
- All Government is the second largest component of the economic base, based on employment size, but has a lower concentration of jobs at the regional level than is found statewide. Industry employment remained flat from 2001 to 2004.
- Basic Information Services reported the highest rate of job losses from 2001 to 2004, and is also the smallest industry in the economic base, based on employment size.

Southern Border Region Economic Base
2001-2004



Highlights from the Southern Border Region:

- Construction is the fastest growing industry in the economic base; it is the fifth largest component of the economic base. The industry's concentration in the region is slightly higher than at the statewide level.

- Although small in employment size, Entertainment & Tourism and Wholesale Trade both reported strong job growth from 2001 to 2004 – only surpassed by Construction.

- All Government is the largest component of the economic base and reported modest job growth from 2001 to 2004. The industry's concentration in the region is slightly higher than at the statewide level.

- Professional, Scientific, Technical & Management Services has the highest concentration of jobs at the regional level. The industry is the fourth largest component of the region's economic base and reported job growth from 2001 to 2004.

- The Manufacturing Value Chain is the second largest component in the region's economic base, but reported the highest rate of job losses from 2001 to 2004. The industry's concentration in the region is lower than at the statewide level.

APPENDIX A: Definition of Industry Sectors and Clusters by NAICS Codes

The following lists the major industries and clusters included in the economic base reports, and defines them by NAICS code and classification. Most of these are defined at the three-digit and/or four-digit NAICS code levels, but some are defined at the five-digit and/or six-digit NAICS code levels.

THE FOOD CHAIN

Distribution

4244	Grocery and Related Product Wholesalers
4245	Farm Product Raw Material Merchant Wholesalers
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers
42491	Farm Supplies Merchant Wholesalers
4452	Specialty Food Stores
49313	Farm Product Warehousing and Storage

Processing

3111	Animal Food Manufacturing
3112	Grain and Oilseed Milling
3113	Sugar and Confectionery Product Manufacturing
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing
3115	Dairy Product Manufacturing
3116	Animal Slaughtering and Processing
3117	Seafood Product Preparation and Packaging
3118	Bakeries and Tortilla Manufacturing
3119	Other Food Manufacturing
322215	Nonfolding Sanitary Food Container Manufacturing
32616	Plastics Bottle Manufacturing
327213	Glass Container Manufacturing
332115	Crown and Closure Manufacturing
332431	Metal Can Manufacturing
31211	Soft Drink and Ice Manufacturing
31212	Breweries
31213	Wineries
31214	Distilleries

Production

1111	Oilseed and Grain Farming
1113	Fruit and Tree Nut Farming
11141	Food Crops Grown Under Cover
11193	Sugarcane Farming
11194	Hay Farming
111991	Sugar Beet Farming
111992	Peanut Farming
1112	Vegetable and Melon Farming

111998	All Other Miscellaneous Crop Farming
1121	Cattle Ranching and Farming
1122	Hog and Pig Farming
1123	Poultry and Egg Production
1124	Sheep and Goat Farming
1125	Animal Aquaculture
1129	Other Animal Production
1141	Fishing
1142	Hunting and Trapping

Support

1151	Support Activities for Crop Production
1152	Support Activities for Animal Production
22131	Water Supply and Irrigation Systems
23711	Water and Sewer Line and Related Structures Construction
32192	Wood Container and Pallet Manufacturing
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing
33311	Agricultural Implement Manufacturing
333294	Food Product Machinery Manufacturing
42382	Farm and Garden Machinery and Equipment Merchant Wholesalers
54194	Veterinary Services

CONSTRUCTION

236	Construction of Buildings
2361	Residential Building Construction
2362	Nonresidential Building Construction
237	Heavy and Civil Engineering Construction
2371	Utility System Construction
2372	Land Subdivision
2373	Highway, Street, and Bridge Construction
2379	Other Heavy and Civil Engineering Construction
238	Specialty Trade Contractors
2381	Foundation, Structure, and Building Exterior Contractors
2382	Building Equipment Contractors
2383	Building Finishing Contractors
2389	Other Specialty Trade Contractors

MANUFACTURING VALUE CHAIN

Design

5413	Architectural, Engineering, and Related Services
5414	Specialized Design Services
5416	Management, Scientific, and Technical Consulting Services
5419	Other Professional, Scientific, and Technical Services

Production

3111	Animal Food Manufacturing
3112	Grain and Oilseed Milling
3113	Sugar and Confectionery Product Manufacturing
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing
3115	Dairy Product Manufacturing
3116	Animal Slaughtering and Processing
3117	Seafood Product Preparation and Packaging
3118	Bakeries and Tortilla Manufacturing
3119	Other Food Manufacturing
3121	Beverage Manufacturing
3122	Tobacco Manufacturing
3131	Fiber, Yarn, and Thread Mills
3132	Fabric Mills
3133	Textile and Fabric Finishing and Fabric Coating Mills
3141	Textile Furnishings Mills
3149	Other Textile Product Mills
3151	Apparel Knitting Mills
3152	Cut and Sew Apparel Manufacturing
3159	Apparel Accessories and Other Apparel Manufacturing
3161	Leather and Hide Tanning and Finishing
3162	Footwear Manufacturing
3169	Other Leather and Allied Product Manufacturing
3211	Sawmills and Wood Preservation
3212	Veneer, Plywood, and Engineered Wood Product Manufacturing
3219	Other Wood Product Manufacturing
3221	Pulp, Paper, and Paperboard Mills
3222	Converted Paper Product Manufacturing
3231	Printing and Related Support Activities
3241	Petroleum and Coal Products Manufacturing
3251	Basic Chemical Manufacturing
3252	Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing
3255	Paint, Coating, and Adhesive Manufacturing
3256	Soap, Cleaning Compound, and Toilet Preparation Manufacturing
3259	Other Chemical Product and Preparation Manufacturing
3261	Plastics Product Manufacturing
3262	Rubber Product Manufacturing
3271	Clay Product and Refractory Manufacturing
3272	Glass and Glass Product Manufacturing
3273	Cement and Concrete Product Manufacturing
3274	Lime and Gypsum Product Manufacturing
3279	Other Nonmetallic Mineral Product Manufacturing
3311	Iron and Steel Mills and Ferroalloy Manufacturing
3312	Steel Product Manufacturing from Purchased Steel
3313	Alumina and Aluminum Production and Processing
3314	Nonferrous Metal (except Aluminum) Production and Processing
3315	Foundries
3321	Forging and Stamping

3322	Cutlery and Handtool Manufacturing
3323	Architectural and Structural Metals Manufacturing
3324	Boiler, Tank, and Shipping Container Manufacturing
3325	Hardware Manufacturing
3326	Spring and Wire Product Manufacturing
3327	Machine Shops-Turned Product- and Screw, Nut, and Bolt Manufacturing
3328	Coating, Engraving, Heat Treating, and Allied Activities
3329	Other Fabricated Metal Product Manufacturing
3331	Agriculture, Construction, and Mining Machinery Manufacturing
3332	Industrial Machinery Manufacturing
3333	Commercial and Service Industry Machinery Manufacturing
3334	Ventilation, Heating, Air-Conditioning and Commercial Refrigeration Equipment Manufacturing
3335	Metalworking Machinery Manufacturing
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing
3339	Other General Purpose Machinery Manufacturing
3341	Computer and Peripheral Equipment Manufacturing
3342	Communications Equipment Manufacturing
3343	Audio and Video Equipment Manufacturing
3344	Semiconductor and Other Electronic Component Manufacturing
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
3346	Manufacturing and Reproducing Magnetic and Optical Media
3351	Electric Lighting Equipment Manufacturing
3352	Household Appliance Manufacturing
3353	Electrical Equipment Manufacturing
3359	Other Electrical Equipment and Component Manufacturing
3361	Motor Vehicle Manufacturing
3362	Motor Vehicle Body and Trailer Manufacturing
3363	Motor Vehicle Parts Manufacturing
3364	Aerospace Product and Parts Manufacturing
3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing
3372	Office Furniture (including Fixtures) Manufacturing
3379	Other Furniture Related Product Manufacturing

Logistics

4811	Scheduled Air Transportation
4812	Nonscheduled Air Transportation
4821	Rail Transportation
4831	Deep Sea, Coastal, and Great Lakes Water Transportation
4832	Inland Water Transportation
4841	General Freight Trucking
4842	Specialized Freight Trucking
4861	Pipeline Transportation of Crude Oil
4862	Pipeline Transportation of Natural Gas
4869	Other Pipeline Transportation
4881	Support Activities for Air Transportation
4882	Support Activities for Rail Transportation
4883	Support Activities for Water Transportation
4884	Support Activities for Road Transportation
4885	Freight Transportation Arrangement

4889	Other Support Activities for Transportation
4911	Postal Service
4921	Couriers
4922	Local Messengers and Local Delivery
4931	Warehousing and Storage

WHOLESALE TRADE

423	Merchant Wholesalers, Durable Goods
424	Merchant Wholesalers, Nondurable Goods
425	Wholesale Electronic Markets & Agents & Brokers

RETAIL TRADE

441	Motor Vehicle and Parts Dealers
4411	Automobile Dealers
4412	Other Motor Vehicle Dealers
4413	Automotive Parts, Accessories, and Tire Stores
442	Furniture and Home Furnishings Stores
4421	Furniture Stores
4422	Home Furnishings Stores
443	Electronics and Appliance Stores
4431	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
4441	Building Material and Supplies Dealers
4442	Lawn and Garden Equipment and Supplies Stores
445	Food and Beverage Stores
4451	Grocery Stores
4452	Specialty Food Stores
4453	Beer, Wine, and Liquor Stores
446	Health and Personal Care Stores
4461	Health and Personal Care Stores
447	Gasoline Stations
4471	Gasoline Stations
448	Clothing and Clothing Accessories Stores
4481	Clothing Stores
4482	Shoe Stores
4483	Jewelry, Luggage, and Leather Goods Stores
451	Sporting Goods, Hobby, Book, and Music Stores
4511	Sporting Goods, Hobby, and Musical Instrument Stores
4512	Book, Periodical, and Music Stores
452	General Merchandise Stores
4521	Department Stores
4529	Other General Merchandise Stores
453	Miscellaneous Store Retailers
4531	Florists
4532	Office Supplies, Stationery, and Gift Stores
4533	Used Merchandise Stores
4539	Other Miscellaneous Store Retailers
454	Non-store Retailers

4541	Electronic Shopping and Mail-Order Houses
4542	Vending Machine Operators
4543	Direct Selling Establishments

BASIC INFORMATION SERVICES

511	Publishing Industries (except Internet)
515	Broadcasting (except Internet)
516	Internet Publishing and Broadcasting
517	Telecommunications
518	Internet Service Providers, Web Search Portals, and Data Processing Services
519	Other Information Services

5111	Newspaper, Periodical, Book, and Directory Publishers
5112	Software Publishers
5151	Radio and Television Broadcasting
5152	Cable and Other Subscription Programming
5161	Internet Publishing and Broadcasting
5171	Wired Telecommunications Carriers
5172	Wireless Telecommunications Carriers (except Satellite)
5173	Telecommunications Resellers
5174	Satellite Telecommunications
5175	Cable and Other Program Distribution
5179	Other Telecommunications
5181	Internet Service Providers and Web Search Portals
5182	Data Processing, Hosting, and Related Services
5191	Other Information Services

REAL ESTATE & RENTAL & LEASING

531	Real Estate
5311	Lessors of Real Estate
5312	Offices of Real Estate Agents and Brokers
5313	Activities Related to Real Estate
532	Rental and Leasing Services
5321	Automotive Equipment Rental and Leasing
5322	Consumer Goods Rental
5323	General Rental Centers
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing
533	Lessors of Non-financial Intangible Assets (except Copyrighted Works)
5331	Lessors of Non-financial Intangible Assets (except Copyrighted Works)

PROFESSIONAL, SCIENTIFIC, TECHNICAL & MANAGEMENT SERVICES

541	Professional, Scientific, and Technical Services
5411	Legal Services
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
5413	Architectural, Engineering, and Related Services
5414	Specialized Design Services

5415	Computer Systems Design and Related Services
5416	Management, Scientific, and Technical Consulting Services
5417	Scientific Research and Development Services
5418	Advertising and Related Services
5419	Other Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises
5511	Management of Companies and Enterprises

ADMINISTRATIVE & SUPPORT & WASTE SERVICES

561	Administrative and Support Services
5611	Office Administrative Services
5612	Facilities Support Services
5613	Employment Services
5614	Business Support Services
5615	Travel Arrangement and Reservation Services
5616	Investigation and Security Services
5617	Services to Buildings and Dwellings
5619	Other Support Services
562	Waste Management and Remediation Services
5621	Waste Collection
5622	Waste Treatment and Disposal
5629	Remediation and Other Waste Management Services

HEALTH SCIENCES & SERVICES

3254	Pharmaceutical and Medicine Manufacturing
3391	Medical Equipment and Supplies Manufacturing
5417	Scientific Research and Development Services
6211	Offices of Physicians
6212	Offices of Dentists
6213	Offices of Other Health Practitioners
6214	Outpatient Care Centers
6215	Medical and Diagnostic Laboratories
6216	Home Health Care Services
6219	Other Ambulatory Health Care Services
6221	General Medical and Surgical Hospitals
6222	Psychiatric and Substance Abuse Hospitals
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals
6231	Nursing Care Facilities
6232	Residential Mental Retardation, Mental Health and Substance Abuse Facilities
6233	Community Care Facilities for the Elderly
6239	Other Residential Care Facilities
6242	Community Food and Housing, and Emergency and Other Relief Services
6243	Vocational Rehabilitation Services
8122	Death Care Services

ENTERTAINMENT & TOURISM – URBAN REGIONS

512	Motion Picture and Sound Recording Industries
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
721	Accommodation

ENTERTAINMENT & TOURISM – RURAL REGIONS

711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
721	Accommodation
722	Food Services and Drinking Places

OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)

811	Repair and Maintenance
8111	Automotive Repair and Maintenance
8112	Electronic and Precision Equipment Repair and Maintenance
8113	Commercial and Industrial Machinery and Equipment
8114	Personal and Household Goods Repair and Maintenance
812	Personal and Laundry Services
8121	Personal Care Services
8122	Death Care Services
8123	Drycleaning and Laundry Services
8129	Other Personal Services
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations
8131	Religious Organizations
8132	Grantmaking and Giving Services
8133	Social Advocacy Organizations
8134	Civic and Social Organizations
8139	Business, Professional, Labor, Political, and Similar Organizations
814	Private Households
8141	Private Households

ALL GOVERNMENT

- Federal Government
  - Department of Defense
  - Other Federal Government
- State Government
  - State Government Education
  - Other State Government
- Local Government
  - Local Government Education
  - Other Local Government

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